DOCUMENT RESUME

ED 128 054 JC 760 491

TITLE	Budget and Accounting Manual: California Community Colleges.
INSTITUTION	California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE	Apr 76
NOTE	162p.; Appendices A and C were issued separately and are not included in this version of the document
EDRS PRICE	MF-$0.83 HC-$8.69 Plus Postage.
DESCRIPTORS	*Budgeting; Community Colleges; Educational Finance; Expenditures; Income; *Junior Colleges; *Manuals; *School Accounting
IDENTIFIERS	California Community Colleges

ABSTRACT

This manual specifies in detail the new budget and accounting system for California Community Colleges, utilizing an activity-centered approach to expenditure reporting which describes real resource requirements, their costs, and relative use in each of the 37 discrete activities comprising community college operations. The system is designed to provide adequately for state-level decision making and most local decision making needs, as well as to provide a basis for developing analyses for decisions about programs and objectives. The expenditure structure of the system is designed to be compatible with that used by elementary and secondary schools and county school superintendents. The activity structure is designed to be compatible with the Program Classification Structure developed by the National Center for Higher Education Management Systems (NCHEMS). It provides the district with a base for comparative fiscal analyses, use of new fiscal management tools, and state-level and federal fiscal reporting. The bulk of this document is devoted to extensive presentation and explanation of the system. Appendices include a discussion of accounting principles unique to community college districts; a list of supplies, equipment and capital outlay; stores system procedures, controls, and accounting; accounting terminology; and data processing terminology. (Author/JDS)

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ED128054

BUDGET AND ACCOUNTING MANUAL

CALIFORNIA
COMMUNITY
COLLEGES

JC 760 491

CHANCELLOR'S OFFICE
SACRAMENTO

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I

INTRODUCTION

The new budget and accounting system for California Community Colleges uses an activity-centered approach to expenditure reporting which describes real resource requirements (faculty, supporting staff, supplies, etc.), their costs (objects of expenditure), and relative use in each of the major activities which describe Community College operations.

Except for recent law changes, general ledger accounting, income reporting, and tax analysis are the same as previous college budget and accounting procedures. The new structure makes changes only to budgeting and reporting of expenditures and introduces activity measures for college resource use.

The system describes direct costs in activities, but does not attempt to define indirect costs, nor does it require measurement of output. However, it is designed to provide adequately for state-level decision making and most local decision-making needs. It also provides the basis for developing analyses for decisions about programs and objectives, all essential to college management activities.

The activity structure is designed to be compatible with the Program Classification Structure developed by the National Center for Higher Education Management Systems (NCHEMS) of the Western Interstate Commission on Higher Education. This format currently has nationwide visibility. Data scheduled to be generated in the new structure also gives districts the capability of implementing new management tools now being developed by various groups such as NCHEMS, Systems Research Group, Battelle, and the League for Innovation.

The object of expenditure structure is designed to be compatible with that used by elementary and secondary schools and county superintendents of schools. This should provide for the fiscal management responsibilities county superintendents have in relation to Community Colleges without needing to maintain separate systems for the colleges and K-12. It is anticipated that counties will maintain Community College district budget control over the major object of expenditures as required in Section III and as set forth in CCAF-311. Districts may wish to develop additional subcategories for local management purposes.

Development, approval, and control over district budgets are based upon the object of expenditure categories, allocated among organization units of the district and college(s) to the extent necessary for effective internal management. The activity structure, by contrast, provides the district with a base for comparative fiscal analyses, use of new fiscal management tools, and future development of program budgeting and other fiscal decision-making techniques. The activity structure provides for state-level reporting and federal fiscal reporting, as set forth on CCAF-311.

Separate college budgets are not reported to the state even though they are developed and maintained as always for local management purposes.

The special features of Community College accounting are presented and discussed in this section.

FIXED ASSETS RECORDS

Although fixed assets of a district have little or no bearing on a district's solvency, records shall be maintained to account for fixed assets per E.C. 1004.5; e.g., investments in land, site improvements, buildings, and equipment. The records provide basic information for administrative control and insurance valuation purposes.

Fixed asset accounts should be charged with capital outlay expenditures from all funds either currently or by a summary entry at the end of each fiscal year. At the same time, a reserve account entitled "Investment in Fixed Assets" should be credited with a like amount. Fixed asset retirements and adjustments are treated in a similar manner by appropriate charges or credits to these accounts.

Depreciation records on fixed assets generally are not maintained in tax-supported agencies except in the public utility type of agency. Memorandum depreciation records may be maintained if desired to reflect future liability for fixed asset replacement.

LONG-TERM LIABILITIES

The long-term financing of a government unit is different from private enterprise in that the bonds issued are usually secured by the fixed assets of the issuing concern. Community College district bonds are dependent for security upon the ability of the district to raise money through taxation.

Bonded debt accounts are maintained by the county auditor, and data are usually furnished the district annually regarding the budget requirements for the Bond Interest and Redemption Fund. However, districts should keep memorandum records of the bonded debt in order to have at hand complete data regarding such indebtedness, present and future tax requirements for bond redemption and interest, and potential additional bonding capacity of the district.

REVENUE

The National Committee on Municipal Accounting defines revenue as "additions to assets which do not increase any liability, nor represent the recovery of an expenditure, nor represent the cancellation of liabilities without a corresponding increase in other liabilities or a decrease in assets." Furthermore, it notes that "revenue refers to an increase in the net resources or surplus of a fund." The committee also points out that not all increases in the net resources of a particular fund "result in an increase in the net resources of the municipality as a whole, since the resources of another fund may decrease correspondingly."

Fund revenues are ordinarily classified as to source, such as federal subvention, state apportionments, or district taxes.

EXPENDITURES

Expenditures represent charges against appropriations. If the accounts are kept on the accrual basis, the term "expenditures" includes total charges incurred, whether paid or unpaid. When the accounts are kept on a cash basis, the term covers only the actual cash disbursements.

APPROPRIATIONS

An appropriation is an allocation of funds, income, or estimated income made by the governing board of the Community College district for specific purposes, usually limited as to the time when it may be expended.

Appropriations made by the governing board authorize the district to spend certain sums of money for definite activities. An appropriation specifies in some detail the exact purposes for which expenditures may be made, the amount to be spent, and the period of time during which the expenditures are to be made.

Even though expenditures are carefully planned, changes in appropriations are sometimes necessary. Certain contingencies may arise that require additional appropriations. A contingent reserve (Reserve for Contingencies, 7900) is provided from which the governing board may authorize transfers to activities for which insufficient funds were provided in the original appropriation.

ENCUMBRANCES

In order to keep commitments within the financial plan, obligations in the form of purchase orders or contracts that are to be met from an appropriation are recorded as a restriction of the appropriation balance. By this means the administration has a control to prevent the overexpenditure of an appropriation.

When encumbrances are not formally entered against the appropriation account, it is possible to approve commitments that may exceed the amount allocated to the appropriation. When paid, obligations cease to be encumbrances.

FUND BALANCE

The term "Fund Balance," with suitable qualification, is employed to denote the excess of assets over liabilities or, at other times, excess of resources over the sum of obligations, reserves, and unencumbered appropriations.

FUNDS

The National Committee on Municipal Accounting defines the term "Fund" as a "sum of money or other resources (gross or net) set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations and constituting an independent fiscal and accounting entity." Thus, the accounting structure of a fund may include all

the usual general ledger accounts; e.g., assets, liabilities, fund balance, income, expenditures, appropriations, and encumbrances. The records may or may not be physically separated from other funds, but the fund will be a complete and separate entity yielding distinct financial reports. In a number of cases, specific expenditures may be legally made from two or more different funds. In a few instances, the law authorizes transfers from one fund to another by resolution of the governing board.

CLASSIFICATION OF FUNDS

The number of kinds of funds authorized by law may vary from time to time. In addition to the General Fund, some of the typical funds used by Community College districts are the Building Fund, Bond Interest and Redemption Fund, and Cafeteria Fund. However, taking into account the restrictions involved in each fund, the greater the number of funds, the more rigid the financial administration becomes. Therefore, in the absence of legal requirements, the organizational unit should establish as few funds as possible.

BUDGET

The Budget is a proposed plan of expenditures and the means of financing these expenditures, taking into account the necessary legal requirements. The annual financial and budget reports are fiscal documents exhibiting actual income and expenditures of prior fiscal years, the proposed appropriations for expenditures, and the proposed sources of income to meet these appropriations for the succeeding fiscal year in every fund of the district.

BOOKS OF ORIGINAL ENTRY

Transactions of several kinds are recorded in documents such as apportionment notices, cash receipts, deposit records, requisitions, purchase orders, warrants, and warrant registers. These documents should be employed for direct or summarized posting to ledger accounts. They should indicate the accounts affected by account name or number.

Documents that represent transactions of any one kind and that are numerous and regularly recurring are usually recorded consecutively and chronologically in specialized registers. These registers are employed for the accumulation of totals of a number of similar transactions to reduce the number of postings to general ledger accounts.

Every accounting system needs a journal or system of journal vouchers, other than special registers, for the first formal recording of those infrequent entries for which no other provision is made; e.g., opening, adjusting, and closing entries, and for posting to ledgers. Standard commercial forms are suitable in many cases.

INCOME

Income includes both revenue and nonrevenue receipts. Revenue receipts are additions to assets for which no obligations are incurred by the Community College district and may be expended at the discretion of the district governing board. Revenue receipts are received through state apportionments and district taxes. Nonrevenue receipts are money received in exchange for property of the district or receipts for which the district incurs an obligation, such as money received through loans or the sale of bonds. Bond or loan receipts must be used by the district governing board for the purposes outlined at the time loans are secured or bonds are issued.

These instructions provide for uniform identification and classification of the receipts for all funds and accounts of a district and should be used for day-to-day accounting of receipts, budgets and all financial reports. Income classifications are applicable to all funds, general and special, of a district. The selection of the fund must be made in accordance with the provisions of law. Income Classifications, such as 8100, Federal Income, or 8700, County Income, should not be confused with the selection of the fund, such as the General Fund, Building Fund, or Cafeteria Fund.

Districts operating on a cash basis account for income when it is received, while those operating on an accrual basis account for income when it is earned. District budget forms and the annual budget report form supplied by the Chancellor's Office presume use of the accrual basis for expenditures and the partial accrual basis for the income of district funds, except for the Bond Interest and Redemption Fund. Either a cash basis or an accrual basis, as determined by the county auditor, is acceptable for accounting and reporting a district's Bond Interest and Redemption Fund.

Explanations for categories are only brief notes. See complete project regulations of appropriate program for detail and accurate description.

Classifications

Community College districts will classify income for at least the major and subordinate classifications outlined in this section. Many districts may want to increase the number of classification subdivisions for local management needs.

Major classifications are as follows:

8100-8499	Federal Income
8500-8599	Combined State and Federal Income
8600-8699	State Income
8700-8799	County Income
8800-8869	Local Income
8870-8879	Student Fees and Charges
8880-8890	Miscellaneous Funds
8891-8899	Private Income
8900-8999	Incoming Transfers

8100-8499 FEDERAL INCOME (PL reference means Public Law)

All income received from the federal government, regardless of whether distributed by state, federal, or local agencies. Include federal income for which the state or any other agency serves as the distributing agency.

8110 Maintenance and Operation (PL 81-874)

Allowance for maintenance and operation resulting from the identification of students or parents working on or living on federal property in accordance with federal regulations for federal aid to impacted school districts.

8120 Veterans' Education (PL 92-318)

8140 Education Professions Development PL(90-35)

Amounts received from federal agencies for Education Professions Development

8145 Public Service Development and Training (PL 90-351, 90-490, 92-158, 88-581, 89-751, 92-38, 78-410)

Including human relations, child care, etc.

8150 Economic Opportunity Act (PL 88-452)

Amounts received directly from federal agencies for Economic Opportunity Act programs.

8156 Federal Grants (Other)

Federal grants direct from federal sources not otherwise listed.

8160 Elementary and Secondary Education Act (PL 89-10)

Amounts received from federal agencies for Elementary and Secondary Education Act programs.

8170 Emergency Employment Act (PL 92-54)

Amounts received under the Emergency Employment Act.

8180 Higher Education Act, 1965 (PL 89-329)

8190 Revenue Sharing, 1973 (PL 92-512)

8210 National Defense Education Act (PL 85-864)

Amounts allowed under the National Defense Education Act.

8230 Comprehensive Employment and Training Act - 1973 (PL 93-203)

8235 Military Personnel Development

8240 Vocational Education (PL 90-576)

Amounts allowed from federal sources for Vocational Education programs as amended.

8242 Vocational Rehabilitation Act - 1973

8245 Income Restricted for Capital Outlay

8310 Forest Reserve Funds (EC 20251)

All income from forest reserve funds apportioned by the federal government but distributed to the district by the county superintendent of schools with the approval of the county board of education.

8320 Flood Control Funds (EC 20109)

All income from flood control funds apportioned by the federal government but distributed to the district by the county superintendent of schools with the approval of the county board of education.

8480 "Miscellaneous Funds" (EC 17606)
(see explanation under #8890)

8481 Royalties and Bonuses
8482 Rentals
8483 Income from Property Not Subject to Tax
8484 Payments in Lieu of Taxes

8490 Other

All other federal funds received except funds defined as "miscellaneous funds" by the California Administrative Code, Title 5, Education, Section 17261. These are to be recorded in classification 8480, Miscellaneous Funds.

8500 COMBINED STATE AND FEDERAL INCOME

Combined state and federal income received from the state agency with no indication of how the allowance is prorated between federal and state funds.

8520 Preschool Education Aid (PL 87-543)

Allowance from combined federal and state funds for preschool education aid under Education Code Sections 16643-16644. Do not include amounts allowed for preschool education aid from other state or federal sources.

8530 Children's Centers (EC 16705)

Amounts allowed for Day Care centers.

8560 Educational Opportunity Grants

Including Federal Grants combined with State Funds.

8570 Tax Relief Grants

8580 "Miscellaneous Funds" (EC 17606)

See explanation on page II-11.

8581 Royalties and Bonuses
8582 Rentals
8583 Income from Property Not Subject to Tax
8584 Payments in Lieu of Taxes

8590 Other

All other combined state and federal funds except funds defined as "Miscellaneous funds" by the California Administrative Code, Title 5, Education, Section 17261. These are to be recorded in classification 8580, "Miscellaneous Funds."

8600 STATE INCOME

All state funds received, excluding federal funds distributed by the state, which are federal income. By law, any State School Fund apportionment or allowance to a Community College district must be deposited in the General Fund of the district.

All such amounts should be accounted in terms of the gross amount apportioned. Deductions and withholdings made by the State Controller as required by law must be accounted as expenditures in the same manner as if the full amount had been received and a district warrant had been drawn for such purpose.

8610 Principal Apportionment

Record all amounts allowed under the Principal Apportionment, including advance apportionments, basic and equalization aid, and final apportionments.

Record also flat grant allowances received and/or accrued from the following programs on a current basis:

8611 Basic and Equalization Aid
8612 Physically Handicapped
8613 Educable Mentally Retarded
8614 Trainable Mentally Retarded
8615 Transportation of Handicapped Students
8616 Educationally Handicapped
8617 State Teachers' Retirement System

8620 Special Purpose Apportionment (EC 17405)

Record amounts received for the expenses of maintaining any or all of the following programs during the preceding fiscal year:

8622 Transportation, Regular (EC 18053)

Record amounts received for transportation, based upon records of expense and approved capital outlay, of furnishing, during the preceding fiscal year, transportation of students between their homes and the regular full-time day colleges attended by them.

8623 Project-connected Students
8624 Educationally Disadvantaged (EC 6499.230 - 6499.238)
8625 Early Childhood Development (EC 6445 - 6446.6)

8630 Special Allowances - Other

8631 Allowance for Instructional Television and other Coordinated Instruction Systems Programs.

8632 Allowance for Classroom Instructional Television (EC 18270)

Amounts received under Education Code Section 18270 for participation in a program for instructional television established pursuant to Education Code Sections 6441 or 6442 and EC 11251(a) for other coordinated instructional systems programs.

8633 Apportionment for Special Teacher Employment

Amounts received under Chapter 106, Statutes of 1966 (Education Code Sections 6481-6485) for the special teacher employment program.

8636 Education Improvement Act of 1969

8638 Extended Opportunity Programs and Services Income Received from State Under Provisions of EC 25528.7

8639 Other

8645 Community College Construction Act

8650 Apportionments for Children's Centers (EC 16782)

Allowance for children's centers. It may be advisable to compute monthly the earned income from this source. Advance apportionment is based upon estimated attendance with adjustments at end of the fiscal year usually required.

8660 Apportionments for Development Centers for Handicapped Minors (EC 6880.14)

Allowance for purposes of development centers for handicapped minors. School district fiscal control may find it advisable to compute monthly the earned income from this source. Apportionment in advance is based upon estimated attendance. Adjustments at the end of the fiscal year are usually required.

8661 Attendance
8662 Transportation

8670 Tax Relief Subventions

8671 Reimbursement for Income Lost Because of Business Inventory Exemptions

Amounts received for loss of income because of business inventory exemptions (Revenue and Taxation Code Section 219).

8672 Reimbursement for Income Lost Because of Home Owners' Exemptions

Amounts received for loss of income because of home owners' exemptions (Revenue and Taxation Code Section 218; EC 17252).

8673 Reimbursement for Income Lost Through Operations Under the Williamson Land Act of 1967

Amounts received for loss of income because of the Williamson Land Act of 1967.

8679 Other

Amounts received for loss of income because of exemptions on motion picture films and wine and brandy products (Revenue and Taxation Code Sections 988 and 992; Education Code Section 17254), and Severance Aid (EC 18421).

8690 "Miscellaneous Funds" (EC 17606)

See explanation on page II-11.

8681 Royalties and Bonuses
8682 Rentals
8683 Income from Property Not Subject to Tax
8684 Payments in Lieu of Taxes

8690 Other

All other state funds received except funds defined as "miscellaneous funds" by the California Administrative Code, Title 5, Education, Section 17261. These are to be recorded in classification 8680, "Miscellaneous Funds."

8700 COUNTY INCOME

All county funds received and/or accrued (excepting federal funds distributed by the county which are to be recorded as federal income).

8710 Community College Tuition Tax

Income from counties for nondistrict students attending Community College (Education Code Section 20206).

8720 Equalization Aid Offset Tax

Income from taxes levied upon all the assessed valuation of the county to offset the decrease in equalization aid resulting from the upward modification of the assessed valuation (Education Code Sections 17261-17265).

8780 "Miscellaneous Funds" (EC 17606)

See explanation on page II-11.

8781 Royalties and Bonuses
8782 Rentals
8783 Income from Property Not Subject to Tax
8784 Payments in Lieu of Taxes

8790 Other

All other county funds received except funds defined as "miscellaneous funds" by the California Administrative Code, Title 5, Education, Section 17261. These are to be recorded in classification 8780, "Miscellaneous Funds."

8800 LOCAL INCOME

All income from local sources.

8810 District Taxes

8811 Secured Roll (EC 20803, 20816, and 20932, et seq.)

Income from taxes levied on the secured tax roll. District taxes are levied as a result of the filing of an annual budget with the county superintendent of schools for approval and transmittal to the county board of supervisors setting forth the tax requirements of the district as provided in Division 16, Chapter 3, of the Education Code. The board of supervisors determines for the budget year a tax rate that will produce the amount of district tax money requested by the district in its annual budget.

Certain tax rates in excess of the statutory or voted rates are authorized in the Education Code for restricted purposes and special funds.

All income received from district tax sources is to be accounted on a cash basis. Credits to the various district tax income accounts are made upon receipt of an apportionment notice from the county superintendent of schools indicating that taxes have been deposited in the county treasury.

8812 Unsecured Roll

Income from taxes levied on the unsecured tax roll.

8813 Prior Years' Taxes

Income from tax levies of prior years include secured and unsecured tax receipts from redemptions and tax sales.

8820 City and County Taxes

8821 City Taxes

Income from taxes from an ad valorem levy for college purposes upon the real and personal property located in, and assessed by, a chartered city, which levy is authorized or required by the city charter.

8822 County Taxes

Income from taxes from an ad valorem levy for college purposes upon the real and personal property under the jurisdiction of the county superintendent of schools.

8840 Sales

8841 Sale of Bonds

Income from sale of bonds at par value, which must be deposited in the Building Fund of the district (EC 21810).

8842 Sale of Equipment and Supplies

Income from the sale of supplies and equipment no longer needed by the district. The money received is to be placed to the credit of the fund from which the original expenditure for the purchase of the personal property was made (EC 16403). "This does not apply to sales in lieu of trade-ins. See instruction under Principal Types of Abatements of Expenditures, page III-24, number 8."

8843 Sale of Land and Buildings

Income from the sale of land and buildings. Such income must be used for capital outlay.

8844 Food Service Sales

Income from the sale of meals and other food items, usually recorded in the Cafeteria Fund or Cafeteria Account.

8845 Sale of Publications

Income from the sale of publications. (Catalogues, class schedules, printed forms, etc.)

8846 Farming Income

Income from college farm operations.

8849 Other Sales

Income received from all other sales

8850 Rentals and Leases, Except "Miscellaneous Funds"

Income for the use of athletic facilities, buildings or portions thereof, houses, and other properties of the district that are rented or leased to the public or other school districts for school purposes; and portions of amounts received that are excluded from "miscellaneous funds" in accordance with the California Administrative Code, Title 5, Education, Section 17261, including rentals by Civic Center groups.

Rental or lease income defined as "miscellaneous funds" is to be recorded in classification 8880, "Miscellaneous Funds."

8855 Contract Services for District and County Offices

Income received for contract services rendered by one district or office of county superintendent of schools for another district or office of county superintendent of schools.

8859 Other Contract Services

8860 Interest

Income credited or prorated by the county auditor for interest on deposits of district funds with the county treasurer and interest earnings (EC 17203).

Money received as premiums and accrued interest at the time of sale of bonds must be deposited in the Bond Interest and Redemption Fund (EC 21810).

8870 STUDENT FEES AND CHARGES

8871 Adult Education Fees

Income received from students enrolled in classes for adults as tuition under EC 5757, as incidental fees under EC 5758, or under EC 25502.5.

8872 Nonresident Students

Income received for the total cost of educating residents of other states and foreign countries in the colleges of the district (EC 10508 and 25505.8).

8873 Children's Centers (EC 16729)

Income received from parents, guardians, or welfare agencies as fees for the instruction and care of children in childrens' centers.

8874 Development Centers for Handicapped Minors

Income received from parents, guardians, or welfare agencies as fees for the instruction and care of children in development centers.

8875 Out-of-District Student Fees. [EC 25505.3(c)]

Income received from students attending under inter-district Agreements which call for payment of expenses by individual students.

8876 Health Fees

8877 Parking Services (See EC 25425.1)

8878 Other Student Charges (Including but not limited to Traffic Fines, Parking Fines, Late Registration, Library Fines, etc.)

All other miscellaneous student fees and fines.

8880 "MISCELLANEOUS FUNDS" (EC 17606)

See explanation on page II-11.

8881 Royalties and Bonuses
8882 Rentals
8883 Income Tax from Property Not Subject to Tax
8884 Payments in Lieu of Taxes

8890 Other

All other income from local sources such as contributions, gifts, outlawed warrants*, practice teaching, and so forth, except funds defined as "miscellaneous funds" by the California Administrative Code, Title 5, Education, Section 17261. These are to be recorded in classification 8880, "Miscellaneous Funds."

*Some warrants are outlawed after six months. If a warrant is outlawed in the same fiscal year in which it was written, it should be abated to the account it was originally charged.

8891 PRIVATE INCOME

Income from private contributions, gifts, grants, and endowments.

8899 Other

8900 INCOMING TRANSFERS

All income received for incoming transfers. Identify the sources of tuition payments and account for the income received from each source.

8920 Tuition Transfers

8921 Interdistrict Payments

Tuition payments received from interdistrict contracts for general or specific instructional services, including transportation.

8926 Non-district Payments

All other tuition payments not identified above.

8930 Interfund Transfers

Amount of money involved in each of the following transfers between funds:

To the Child Development Fund and Development Centers for Handicapped Minors Fund from the General Fund (EC 17201 and California Administrative Code, Title 5, Education, Sections 15050-15052).

Between the General Fund and the Special Reserve Fund (EC 21401-21404).

To the General Fund or to the Special Reserve Fund from the Bond Interest and Redemption Fund after all principal and interest payments have been made (EC 22055 and 22056).

8990 Other Incoming Transfers

Income received from funds of lapsed or reorganized districts and any other income from transfers not otherwise classified.

Miscellaneous Funds

EC 17606 covers "miscellaneous funds" under classifications 8480 (federal), 8580 (federal and state), 8680 (state), 8780 (county), and 8880 (local). Sources of funds classified as miscellaneous under this section are (1) royalties and bonuses; (2) rentals; (3) income from property not subject to tax; and (4) payments in lieu of taxes.

Royalties and Bonuses

Record the total amount of payments of all or a portion of the royalties and bonuses received from the operation of any law under the terms of any agreement. For example, royalties on federal mineral deposits are accounted under 8481, "Miscellaneous Funds" (federal). Classifications by source are as follows:

8481 Federal
8581 Federal and State
8681 State
8781 County
8881 Local

Rentals

Record the amount by which the total of all payments received for the rental of property owned by the district and not on the tax rolls of the county or district exceeds the actual expense of operating and maintaining the property. Classifications by source are as follows:

8482 Federal
8582 Federal and State

8682 State
8782 County
8882 Local

Income from Property Not Subject to Tax

Record the total of all payments received from, or on account of, property of a district or any other property within the district, county, or state that is not being assessed for tax purposes and not being used for college purposes. Classifications by source are as follows:

8483 Federal
8583 Federal and State
8683 State
8783 County
8883 Local

Payments in Lieu of Taxes

Record the total of all payments made in lieu of taxes and received by the district. Examples are levies on aircraft, baled cotton, or federal housing, head-day tax on livestock; and license fees on trailer coaches. Classifications by source are as follows:

8484 Federal
8584 Federal and state
8684 State
8784 County
8884 Local

Abatement of Income

When part or all of the income of a Community College district from any source must be returned to the source from which it is received, the transaction should be accounted as an abatement of income. Abatement of income is the cancellation of any part or all of any specific receipt previously recorded, usually resulting from tax refunds, refunds of money received from state or federal sources, or refunds of monies previously received through error. The accounting for such transactions in this manner keeps both income and expenditures in true perspective and maintains proper balance of the two.

Uniformity in accounting for abatements of income is required to secure comparable fiscal records and reports. Accuracy in the records requires proper use of a correct accounting procedure for the elimination from the fiscal records of those items representing cancellations of previous fiscal transactions or parts of them.

Payments that represent cancellations or reductions of receipts must be accounted as abatements of income previously recorded by abating such payments to such income account, thereby eliminating any charge to an expenditure account. Such payments must be accounted by abating the income account for

Abatement of Income (Continued)

the original source during the fiscal year in which the payments are made, irrespective of the fiscal year in which the original receipt was recorded, even though such payments may in some cases exceed the actual income of the fiscal year in which the abatement is made and thus result in negative balances in the accounts, or entries in reports. Abatements of income are recorded as they occur and not accumulated until the end of the fiscal year.

Because payments that constitute abatements of income are not expenditures, they are not subject to appropriation control. However, any abatement of income that constitutes a major reduction of income in comparison with estimated income should be recognized as requiring a corresponding reduction in estimated income and reserves, or requiring a reduction in actual appropriations.

The following kinds of transactions shall be accounted as abatements of income:

1. Tax refunds
2. Rental refunds
3. Tuition refunds
   a. To students, parents, or guardians
   b. To other districts on account of overpayments
4. Refunds of income from federal sources
5. Refunds of income from state sources
6. Refunds of other monies received in error
7. Distribution or proration of monies received by local operating agency to operating districts.

It is often difficult to distinguish between receipts that should be treated as abatements of expenditure and those that should be treated as income. The following receipts are accounted as income (income classifications are shown in parentheses) rather than abatements.

1. Tuition

2. Fees (8870)
   a. Teachers' and employees' examination fees (8879)
   b. Certificate fees (8879)
   c. Transcript fees (8879)
   d. Adult Education fees (8871)

3. Rentals (8782, 8850, 8882)
   a. Civic Center (all charges) (8782, 8850, 8882)
   b. Classrooms (8782, 8850, 8882)
   c. Easement leases (8782, 8850, 8882)
   d. Houses (8782, 8850, 8882)
   e. Sites (8782, 8850, 8882)

4. Collections for use of swimming pools, tennis courts, and the like (8847)

Abatement of Income (Continued)

5. Library fines (8878)

6. Receipts from the sale of junk or salvage material no longer needed (8842)

7. Contributions and gifts (8890)

8. Receipts from the sale of catalogues, class schedules, courses of study, printed forms, and the like (8845)

9. Amounts received from forfeitures of surety or indemnity bonds because of noncompliance with contracts (8890)

10. Interest on deposits and investments (8860)

11. Outlawed warrants and other warrants canceled in a fiscal year subsequent to the year of expenditure (8890)

12. Receipts from sale of land and buildings (except that receipts from the sale either of a portion of a new site or of buildings or improvements thereon shall be accounted as abatements of expenditure) (8843)

13. Receipts from teacher-training institutions for practice teaching services (8890)

14. Receipts from agriculture in connection with farm study and other related operations.

Accounting for Certain Apportionments or Loans

Certain apportionments that the State of California currently authorizes to be made to districts from the State General Fund are loans and do not constitute grants or subventions. Because such apportionments are non-revenue receipts, which increase a district's liabilities, they should not be accounted for as income. These apportionments are advances made to eligible districts for the following purposes:

1. To aid in the establishment of (a) special training schools or classes for the education of mentally retarded minors who come within the provisions of EC 6903; or (b) special schools, classes, or integrated programs for which a qualified special teacher is provided for educating physically handicapped minors who come within the provisions of Education Code Sections 6801 and 6802 (Education Code Sections 6914-6919).

2. To aid newly organized districts (EC 17461).

Accounting for Certain Apportionments or Loans (Continued)

3. To provide emergency apportionments (loans) to districts as provided by EC 17311 and 17325-17329.

When such an apportionment has been made by the Chancellor of the California Community Colleges, a state warrant is issued by the State Treasurer for the entire amount. The law specifies that the county treasurer receiving such a warrant shall deposit it to the credit of the General Fund of the district designated in the apportionment. The district records should reflect the receipt of the credit.

Example:

Date	Accounts	Debit	Credit
4-10-75	Cash in County Treasury	$5,360	
	Account Payable, State (Long-Term Debt)		$5,360

To record credit received for a loan from the State General Fund to finance the establishment of new classes for the mentally retarded ($2,680 payable during 1975-76, and $2,680 payable during 1976-77)

The repayment of the loan will be automatically accomplished by the withholding of half of the amount from regular apportionments being credited to the district during each of the next two fiscal years. The practice of the State Controller is to make the withholdings over a period of four months--February, March, April and May. Accordingly, during each of those months (in 1977 in the above example), one-eighth of the total loan will be subtracted from the amounts otherwise due the district from the State School Fund in accordance with regular apportionment calculations. This means that the credit to the district funds announced by the County Superintendent will be smaller by the same amount than the announcements by the Chancellor of the California Community Colleges would indicate. District records must reflect this transaction in each of the months named in each of the two years following the year of the loan so that the liability will be properly cleared and the proper State School Fund Apportionments credited. In the above example of a loan, the entry to be made by the district and repeated seven times in the respective months is as follows:

Date	Accounts	Debit	Credit
2-20-76	Account Payable, State	$670	
	State Basic and Equalization Aid		$670

To record the withholding by the state of one-eighth of the amount of the long-term loan received 4-10-75

Accounting for Certain Apportionments or Loans (Continued)

Any statement of financial condition prepared from the district records during or at the close of the fiscal year will show, if the foregoing procedures are used, the proper amount of liability to the state. This accounting procedure is indicated by the instructions that accompany the Annual Report of Current Liabilities, Form CCAF-304. The proper recording by the district of amounts withheld by the state is also included in the specific audit instructions to accountants conducting annual audits.

The repayment of a loan under EC 17325-17329 is done in the same manner, except that the principal payment must be accomplished over not more than a three-year period (EC 17328).

The interest and principal payment due annually on this emergency loan will be withheld from the district's regular apportionments. However, the district must record the amount due for interest as a current expenditure under expenditure classification 5800, Other Services and Expense for Administrative Districtwide Operation.

All loans, Tax Anticipation Notes, and transfers (loans) from special or restricted funds of the district to the General Fund (EC 20954) should be recorded in the same basic manner.

III

EXPENDITURES

The following expenditure classification is in two parts: one dealing with objects of expenditure, the other with Community College activities for which expenditures may be recorded. The object categories (i.e., salaries, wages, supplies, etc.) are designed to be consistent with the major object classifications used for elementary and secondary schools and described in the California School Accounting Manual, 1973 edition. This should reduce the need for County Offices to maintain two systems for budgetary control of both K-12 and Community Colleges. The activity categories are descriptive of college activities and generally similar to those for other institutions of higher education. While it is doubtful that any college or district is organized exactly according to the activity categories selected, the common activity structure is required for consistent and comparable expenditure reporting.

OBJECTS

Object categories for current operations and capital outlay, debt service and transfers required for state-level reporting **are set forth in the CCAF-311.**

The object categories represent a minimum list for compliance with various Education Code provisions, compatibility with county systems and state-level fiscal reporting. Districts may wish to develop other, more detailed categories for use in district administration and policy making. Form CCAF-311 sets forth the minimum requirements for the Controller's report in compliance with Government Code Section 53892.1.

Coding and categories are such that object categories may be aggregated to be consistent with those eight major object of expenditure classifications required by county superintendents of schools for control of district budgets under the provisions of Education Code Sections 17202 and 20951.

The Education Code limits Community College district expenditures to the amounts appropriated for the several major expenditure classes by the adoption and approval of the district budget or by subsequent intrabudget transfer. Because of this budget or appropriation control of expenditures, the budget and all documents dealing with appropriations must be prepared according to the same classification plan as that employed in the accounting of expenditures.

Districts should identify the origin of each district expenditure by designating the appropriate object classifications on order or requisitions, commonly called warrants or warrant registers. Officials of the district who know the purpose for each expenditure should decide which object classification is to be used at the time commitments are made. The account or accounts charged should be selected when goods or services are ordered or when certificated or classified employees are assigned or reassigned.

Insofar as possible, notices of employment, copies of contracts, and other district documents on expenditures or commitments to become expenditures should designate the object for review by county superintendents of schools. This permits prompt resolution of questions about the classification of expenditures. One decision about object classification can thus serve for several future disbursements, such as monthly salary payments. This procedure is necessary if the encumbrance plan of accounting is employed by either the district or the county superintendent of schools.

Whether or not object classifications are noted on documents such as notices of employment and copies of contracts, district orders should show the applicable object classifications.

County superintendents of schools, when drawing requisitions on the funds of Community College district where authorized or required by law to initiate the disbursements, should designate the object classifications applying to such payments and inform the district of the date, payee, purpose, amount, and object classifications of each requisition so drawn. County superintendents should also notify the district of the date, purpose, amount, and object classifications of any amount withdrawn from the funds of the Community College district other than by district order or county superintendent's requisition and of the amounts withheld from apportionments of state funds that are to be treated as expenditures, such as the amount withheld for district contributions to retirement funds.

The object classifications should be designated on every warrant or warrant register so that county superintendents of schools may maintain records necessary for budget control of expenditures and for annual report purposes (EC 17202 and 20951). These requirements may be waived or reduced at the discretion of the county superintendent of schools. Budget report forms prescribed by the Chancellor's Office presume the use of the accrual basis for the accounting of expenditures and a partial accrual basis for the accounting of income of the funds of Community College districts except for the Bond Interest and Redemption Fund. The accounting and reporting of district Bond Interest and Redemption Funds either on the cash basis or the accrual basis, as determined by each county auditor, is acceptable to the Chancellor, California Community Colleges.

Objects of expenditures listed must be maintained by all Community College districts in their day-to-day accounting of expenditures during a fiscal year. The use of these objects will facilitate the preparation of budgets and the various financial reports requested by federal, state, county, and local agencies.

Minimum budgetary control of districts' accounts by offices of county superintendents of schools must be maintained. Controls may be kept on total expenditures with the approval of the county superintendent of schools or on the following object of expenditures classifications:

1000	Certificated Salaries
2000	Classified Salaries
3000	Staff Employee Benefits
4000	Books, Supplies, and Equipment Replacement
5000	Contracted Services and Other Expenses
6000	Capital Outlay
7000	Other Outgo
7900	Appropriation for Contingencies (Formerly Undistributed Reserve)

SECTION A
Objects of Expenditure Classifications,
Their Content, and Instructions
Regarding Their Use

Suggested sub-object categories for state-level reporting are as follows:

1000 CERTIFICATED SALARIES

The salary of a certificated person is recorded here only if the position which that person is filling requires the certificate; otherwise it is recorded under 2000 CLASSIFIED SALARIES - e.g., a qualified certificated instructor has at times been temporarily hired as an Instructional Aide. While so hired the salary would be recorded under 2200 instead of 1100.

1100 Teaching, Regular Contract Salary Schedule

Included are the full-time salaries and prorated portions of salaries for all certificated employees paid at a regular salary schedule rate for contract or regular employees and employed for the direct instruction of students. Included are full-time teachers paid on a monthly basis; part-time (monthly, daily, hourly) teachers whose pay is based on a percentage of pay for regular full-time teaching assignment; substitute teachers if the rate of pay is based on the regular teaching salary rate; extra duty or overtime pay if based on the regular schedule salary rate; sabbatical leave if based on the regular salary schedule rate. (Teachers whose salary computation is restricted to a portion of the regular full-time teacher's salary schedule shall not be considered to be paid on a regular contract salary schedule.)

The following comments, interpretations, and definitions are included to guide college officials in determining whether the total salary, or a portion of the salary, should be charged to classification 1100.

The total salary is recorded in classification 1100 under the following conditions: A certificated employee of a Community College district is considered a full-time classroom instructor if his full-time duties include classroom teaching for at least one instructional period for each day he is employed to teach, and he is assigned no duties other than those that are connected with, or are extensions of, classroom teaching. Such activities include, but are not limited to, the following:

1. Preparation for, and evaluation of, classroom work.

2. Extracurricular activities that arise out of classroom work and are an extension of it.

3. Duties that are ordinarily assigned to certificated personnel in connection with the custody and control of students after school, or at other times.

4. Intermittent duties assigned individually or in connection with committee work, inservice training, or institutes under the leadership and direction of a person who is not a full-time classroom teacher. Such duties have as their purpose the evaluation or improvement of the educational program in the district.

The salary must be prorated under the following conditions:

If a certificated employee teaches at least one instructional period each day he is employed to teach and is also assigned other duties neither in connection with, nor extensions of, classroom teaching, his salary must be prorated and recorded in classification 1100 and in the other classifications that provide for recording the expenditures for the other assignment. The amount recorded in classification 1100 is the product of the employee's complete salary and the fraction of the full-time college day of the employee spent as a classroom teacher in the performance of the duties that are in connection with,or an extension of, classroom teaching, as explained under the definition of a full-time teacher. The remaining portion is then charged to the classification in which expenditures for the other assignment are recorded. It should be understood that some of the other assignments may pertain to work outside the field of teaching, and if a teacher performs such assignments, it will be necessary to prorate a portion of the salary to subordinate classifications other than 1100.

The term "other assignments" includes, but is not limited to, assignments usually and specifically assigned to certificated persons employed in the following types of positions:

1. General supervisors, coordinators, directors, specialists, consultants, supervisors of special subjects, and certificated assistants.

2. Deans, and assistant deans in individual colleges.

3. Librarians, assistant librarians, audiovisual personnel, counselors, nurses, psychologists, psychometrists, audiometrists, and guidance and attendance personnel.

The term "other assignments" also includes, but is not limited to, assignments usually and specifically assigned to persons in the classified service employed as bus driver, custodian, secretary to the governing board, and supervisor in transportation.

1200 Non-Teaching, Regular Contract Salary Schedule

Included are full-time salaries and prorated portions of salaries for all certificated employees paid at a regular salary schedule rate and employed in non-instructional assignments. Counseling, guidance, health services, library, instructors assigned administrative or institutionally related duties. Includes Chancellor, Superintendent, Assistant Superintendent, President, Vice President, Administrative Dean, and other certificated officers of the district.

1300 Teaching, Other, Non-Regular Schedule

Included in this account are all teachers who are not paid in accordance with the full-time regular salary schedule for contract employees or who are paid in accordance with the regular salary schedule but are teaching summer sessions.

1400 Non-Teaching, Other

Included are wages paid certificated employees in non-instructional assignments at rates other than a rate paid to an employee on a regular salary schedule for that assignment. Include all summer session even though paid on a regular contract salary schedule.

2000 CLASSIFIED (NON-CERTIFICATED) SALARIES

2100 Non-Certificated, Non-Instruction, Regular Full-Time Schedule

Included are full-time salaries and prorated portions of salaries for all classified employees paid at regular salary schedule rate; includes administrators, business managers, controllers, directors, chief accountants, supervisors, purchasing agents, clerical, maintenance, warehousemen, custodians, gardeners, food services, transportation, telephone operators, watchmen, security and others.

2200 Classified Service, Instructional Aides, Regular Full-Time Schedule

Included are full-time salaries and prorated portion of salaries for all classified employees paid at regular salary schedule rate, engaged in classroom activities or under the supervision of classroom instructors (teachers) [Education Code Section 17200(c)].

2300 Other Salaries, Non-Certificated, Other Than Permanent Full-Time Schedule

Includes nonmembers of classified service, governing board members, student help, clerical, administrative, professional maintenance, custodians, gardeners, food services, transportation, telephone operators, watchmen, security and others who are paid non-regular schedule salary rates or for work in excess of their regular work schedule.

2400 Other Permanent Salaries, Instructional Aides, Other Than Full-Time Schedule

Includes student aides and any aides engaged in classroom instruction or working under the supervision of a classroom instructor (teacher).

3000 STAFF EMPLOYEE BENEFITS

Record all expenditures for employer's contributions to retirement plans and for health and welfare benefits for employees or their dependents, retired employees, and board members.

3100 State Teachers' Retirement System Fund

3110 Certificated Teachers and Instructional Aides
3120 Classified Employees
3130 Other Certificated Employees
3150 Classified Instructional Aides

3200 Public Employees' Retirement Fund

3210 Certificated Teachers and Instructional Aides
3220 Classified Employees'

3300 Old Age, Survivors, Disability, and Health Insurance

3310 Certificated Teachers and Instructional Aides
3320 Classified Employees
3330 Other Certificated Employees
3350 Classified Instructional Aides

3400 Health and Welfare Benefits

3410 Certificated Teachers and Instructional Aides
3420 Classified Employees
3430 Other Certificate Employees
3450 Classified Instructional Aides
3460 Retired Certificated Employees
3470 Retired Classified Employees

3500 State Unemployment Insurance

3510 Certificated Teachers and Instructional Aides
3520 Classified Employees
3550 Classified Instructional Aides

3600 Workman's Compensation Insurance

3610 Certificated Teachers and Instructional Aides
3620 Classified Employees
3650 Classified Instructional Aides

3700 Local Retirement Systems

3710 Certificated Teachers and Instructional Aides
3720 Classified Employees

3900 Other Benefits

3910 Certificated Teachers and Instructional Aides
3920 Classified Employees
3930 Other Certificated Employees
3950 Classified Instructional Aides

4000 BOOKS, SUPPLIES AND EQUIPMENT REPLACEMENTS

4100 Textbooks

4200 Other Books

4300 Instructional Supplies

4400 Instructional Media Materials & Supplies

4500 Other Supplies

4600 Student Transportation Supplies

4700 Food Expenses

4710 Food
4790 Other Expenses

4800 Equipment Replacements

Book and equipment replacements should be recorded separately. Supply expenditures may be maintained in that level of detail required for district management.

Supply expenditures cover commodities, including transportation and storage, to be used by the institution. They consist of items of (1) an expendable nature that are consumed, worn out, that deteriorate in use, or are easily lost or broken; (2) materials that have a relatively short life (less than two years); (3) articles that have the characteristics of equipment (See IV-1) but have a low unit cost and are frequently lost, broken, or worn out in normal use such as staplers, small tools, clocks and pencil sharpeners. Books, newspapers, and periodicals for general office and reception area use are included here. Also included are office supplies, building supplies, etc. See Section IV for distinction between supplies and equipment.

5000 CONTRACTED SERVICES & OTHER OPERATING EXPENSES

Professional fees encompass service performed by firms or individuals on a contractual or fee basis. Contractual Services include costs of rentals and leases and all services including maintenance and repairs performed for the institution under express or implied contracts including labor, materials, and use of equipment. Membership, dues and subscriptions account for costs of institutional membership in professional organizations; dues and subscriptions are recorded here.

Fidelity Bond Expense and all insurance carried for the protection of the institution should be included here.

5100 Contracts for Personnel Services of Consultants, Lecturers, and Others for Direct Assistance to Teachers, Students, or the Curriculum or Health Program

Include Western Association of Schools and Colleges (WASC) reports and testing services. Record contracts for services provided by the county superintendent of schools, other districts, or private enterprise.

5200 Travel and Conference and Other Expense Reimbursed

5300 Dues and Memberships

Record the membership fee of any district or college in any society, association, or organization as authorized by Education Code Section 1071.

Record the membership fee of the governing board in any organization as authorized by Education Code Section 1071.

5400 Insurance

5410 Fire and Theft

Record expenditures for all forms of insurance covering the loss of, or damage to, property of the district from fire, theft, storm, or any other cause. Also record here costs for appraisals of property for insurance purposes.

5420 Liability Insurance

Record expenditures for insurance coverage of the district, its officers, and employees against losses resulting from property damage or public liability.

5430 Fidelity Bond Premiums

Record expenditures for any bonds guaranteeing the district against losses resulting from the action of its employees.

5440 Student Insurance

Record expenditures for accidental death insurance and medical and hospital insurance for students.

5500 Utilities and Housekeeping Services

Record expenditures for water, fuel, light, power, telephone, waste disposal, laundry and drycleaning, and so forth. Include contracts for these services.

5600 Service Agreements

Record payments for rentals for, or leasing of, land, playground sites, postage meter, athletic fields, equipment, buildings, and contracts for transportation, maintenance, repairs to buildings or equipment, contracts with architects for repairs and other services not otherwise designated.

5700 Legal, Election, and Audit Expenses

Record assessments for other than capital improvements including state assessment for non-use of sites; record advertisements of bond sales and advertisements required by law; record judgments, lawyer's fees, election costs, audit costs and so forth.

NOTE: Assessments for capital improvements should be charged to object classification 6100. Advertisements not required by law, e.g. employment notices, should be charged to object classification 5800.

5800 Other Services and Expense for Administrative Districtwide Operation

Record expenses for surveys, appraisals, and costs and interest on loans, physicals, fingerprinting, x-rays, damage to personal property, advertisements not required by law, postage stamps, etc.

NOTE: Appraisals in connection with site purchases should be charged to object classification 6100, Sites and Improvement of Sites.

6000 CAPITAL OUTLAY

6100 Sites and Site Improvement

6110 Sites

Record expenditures for each of the following:

Acquisition of land and additions to old sites and adjacent ways. Include incidental expenditures in connection with the acquisition of sites, such as appraisal fees, search and title insurance, surveys, and condemnation proceedings and fees. If a site is not purchased after the appraisal or survey, record the expenditure in classification 5800, Other Services and Expense for Administrative Districtwide Operation. Include demolition costs for removal of old buildings on newly acquired sites.

6120 Site Improvement

Improvement of new and old sites and adjacent ways. Include such work as grading, landscaping, seeding, and planting shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers, and storm drains; installing hydrants; treating soil and surfacing athletic fields and tennis courts for the first time; furnishing and installing, for the first time, fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks that are not parts of building service systems; and doing demolition work in connection with improvement of sites.

Payment of special assessments. Include assessments against the district for capital improvements such as streets, curbs, sewers, drains, and pedestrian tunnels whether on or off district property.

6200 Buildings

Record costs of construction or purchase of new buildings and additions and replacement of obsolete buildings, including advertising; architectural and engineering fees; blueprinting; inspection service (departmental or contract); tests and examinations; demolition work in connection with construction of new buildings; installation of plumbing; installation of electrical, sprinkling, or warning devices; installation of heating and ventilating fixtures, attachments, and built-in fixtures; and other expenditures directly related to the construction or acquisition of buildings.

6300 Books, Library and Media

Purchased for new libraries or major expansions.

6310 Library Books
6320 Library Materials

6400 Equipment

Recorded here are expenditures for equipment defined as movable plant assets which can be used for a year or more without material change in form or appreciable impairment of their physical condition. This object classification includes such items as desks, chairs, vehicles, machinery, instruments, etc.; however, equipment replacement belongs in 4800.

Record expenditures for initial and additional items of equipment, such as furniture, vehicles, machinery, motion picture film, video tapes, and furnishings that are not integral parts of the building or building service system. Equipment is defined in Part IV of this manual. Piece-for-piece replacements of equipment are reported in classification 4800, Equipment Replacements. Initial additional built-in fixtures that are an integral part of the building or building service system are reported in classification 6200, Buildings.

6410 Audiovisual Equipment
6420 Library Equipment
6430 Food Service Equipment
6440 Student Transportation Equipment Including New Buses
6490 All Other Equipment

NOTE: A district may use day labor or force account, within the limits of the law (EC 15957), to improve new or old sites, construct or improve buildings and fabricate equipment. The expenditures for such day labor or force account, including materials shall be a direct charge to the Facilities Acquisition, Constructions and Equipment Program. Such expenditures may include salaries of maintenance personnel, object 2300; fringe benefits, object 3000; and necessary materials and supplies, object 4500.

6500 Lease-Purchase Agreements

This is used to record expenditures of a contractual nature which will, over a period of time, lead to the addition of a plant asset to the institution.

7000 OTHER OUTGO

7100 Debt Service

Debt service consists of expenditures for the retirement of debt.

7130 Bond Redemption
7140 Bond Interest and Other Service Charges

Record expenditures for bond interest and bond and coupon service fees.

7170 Expenditures for interest on debts, except principal and interest on current loans (money borrowed and repaid during the same fiscal year).
7190 Other Payments

7200 Outgoing Tuition Transfers

Includes payment under interdistrict attendance agreements and other programs specifically provided in the Education Code.

7240 Tuition and Transportation of Students Attending Classes for Handicapped

Record tuition and transportation costs of students attending classes for physically handicapped (EC 6806); educationally handicapped (EC 6751); multiple handicapped (EC 6871); and mentally retarded (EC 6904 and 6910) maintained by other districts.

7250 Tuition for Regional Occupational Centers or Programs (Current Expense)

Record tuition paid for current expense only, to regional occupational centers or programs operated by other districts, county superintendents of schools, and regional occupational centers operated under a joint powers agreement.

7260 Tuition for Regional Occupational Centers or Programs (Capital Outlay)

Record tuition paid for capital outlay expense only, to regional occupational centers or programs operated by other districts, county superintendents of schools, and regional occupational centers operated under a joint powers agreement.

Note that interdistrict payments for specific services such as health, administration, and instruction provided by one district for another or for the transportation of students to the colleges of the district making the payment should be charged to the appropriate object expenditure classification applicable to such service.

When such an interdistrict payment is received, it must be accounted for and recorded on any financial reports as a reduction of the expense for such services. The gross amount expended, the amount recovered by payments from one or more other districts, and the net amount of expense are desirable for local financial cost studies, and costs should be available for state reports if requested.

7300 Interfund Transfers

Record the following transfers:

7310 From the General Fund to the Child Development Fund
7320 Between the General Fund and the Special Reserve Fund (EC 21401-21404)
7340 From the Bond Interest and Redemption Fund to the General Fund

Record transfers of monies from the Bond Interest and Redemption Fund, after all principal and interest payments have been made, to the General Fund or to the Special Reserve Fund (EC 22055-22056).

7390 Other Authorized Interfund Transfers

7400 Other Transfers

7410 From Funds of a Lapsed or Reorganized District to Another District (EC 2705)

7500 Student Financial Aid

This includes actual expenditures for student aid in the form of grants, fellowships, scholarships, tuition reduction, etc., are recorded. Payments to students for services rendered should be classified as salaries and wages rather than student aid.

7900 Appropriation for Contingencies (formerly Undistributed Reserve)

Appropriation for contingencies is that portion of the current fiscal year's appropriation that is not designated for any specific purpose but is held subject to the intrabudget transfer; that is, transfer to other specific appropriations as needed during the fiscal year. No expenditure shall ever be recorded under this classification it is an appropriation classification only.

ACTIVITIES

Actual expenditures are to be classified by activity and by object within each activity. The state reporting form CCAF-III is based upon 37 discrete activities. However, the budget and accounting structure contains a number of sub-activities, resulting in a minimum breakdown of 53 activities. This makes the system nearly compatible, at the "subprogram" level, with the Programs Classification Structure (PCS) developed by National Center for Higher Education Management Systems (NCHEMS) at Western Institute Commission on Higher Education (WICHE). Compatibility serves primarily two purposes: (1) enables districts to utilize tools which may be based upon PCS and (2) provides the capability for interstate and federal reporting if this occurs in the future. Therefore, while districts would maintain a breakdown of 53 activities, they will be required to report to the state for just the 37 activities.

This is a minimum structure and districts may use additional activities as are found to be useful. Some of the activity centers recommended by the California Community and Junior College Association (CCJCA) Ad Hoc Committee may also be useful in district budgeting and accounting. Figure III-1, pages III-21, -22, and -23 presents a comparison of (1) new structure, (2) previous public school accounting structure, (3) "activity centers" developed by the CCJCA committee, and (4) Program Classification Structure developed by NCHEMS at WICHE.

This structure is designed for measurement of "Direct" costs of activities carried on by college districts. There is no attempt to define "Indirect" costs or develop ground rules for their allocation. Definition of such measures as indirect costs, fixed and variable costs, average and marginal costs must be predicated upon specific decision problems, and are described in Appendix B.

The instructional activities are the major discipline categories of the Classification of Instructional Disciplines (CID), which was established and is updated by Academic and Student Affairs unit of the Chancellor's Office. The CID is a modification of the Higher Education General Information System (HEGIS) taxonomy developed by United States Office of Education (USOE). The CID is discipline oriented, removing the ambiguity between "terminal" and "transfer" inherent in the HEGIS. Consequently, CID may be used to classify courses and related student enrollments, but not student majors or objectives in Community Colleges.

The instructional activities include district resources directly used in provision of instructional services. Once a course is categorized within an activity the staff and other resources directly required for its conduct may be similarly categorized.

The NCHEMS PCS categorizes the major discipline divisions as "program categories." Within the instructional area the PCS defines several "sub-programs" as well. These sub-programs are not totally applicable to the comprehensive Community College. The distinctions made are as follows: general academic instruction, occupational and vocational instruction, special session instruction, extension (for credit), and supplementary services (tutorials, remediation, short courses, and noncredit compensatory training). In addition, WICHE

defines community education in terms very similar to the Community College adult class. The occupational vocational distinction is based upon use of the "5000 series" of the HEGIS taxonomy. That series is not entirely useful for purposes of the comprehensive Community College and there may be many VEA qualifying courses that would be categorized under the general academic area.

All direct expenditures for instructional purposes, both graded and ungraded, will be reported in the 25 major activity categories of the CID. Activity measures will indicate the level of various kinds of activities such as adult classes, VEA qualifying classes, and others. (These measures are discussed in Part V.)

Instructional activities are as follows:

0100	AGRICULTURE AND NATURAL RESOURCES
0200	ARCHITECTURE AND ENVIRONMENTAL DESIGN
0300	REGIONAL STUDIES
0400	BIOLOGICAL SCIENCES
0500	BUSINESS AND MANAGEMENT
0600	COMMUNICATIONS
0700	COMPUTER AND INFORMATION SCIENCE
0800	EDUCATION
0900	ENGINEERING AND RELATED FIELDS
1000	FINE AND APPLIED ARTS
1100	FOREIGN LANGUAGE
1200	HEALTH SERVICES
1300	HOME ECONOMICS
1400	LAW
1500	LETTERS
1600	LIBRARY SCIENCE
1700	MATHEMATICS
1800	MILITARY STUDIES
1900	PHYSICAL SCIENCES
2000	PSYCHOLOGY
2100	PUBLIC AFFAIRS AND SERVICES
2200	SOCIAL SCIENCES
3000	COMMERCIAL SERVICES
4900	INTERDISCIPLINARY STUDIES
5300	APPRENTICESHIP

6000 INSTRUCTIONAL SUPPORT

60XX Academic Administration

60XX Course and Curriculum Development

This activity consists of the administrative support and management of instructional activities. Typically included are deans of instruction, division chairmen, and their supporting staff. Coordinators, supervisors, and departmental chairmen and their support would not be reported here but rather in the appropriate CID categories to which their efforts in (1) faculty supervision and evaluation and (2) course, curriculum, and budget development are directed.

included here are such investments as division or institution-wide committees and work in the faculty senate.

Differences in the subfunctions deal with whether resources are used for current operations (Academic Administration) or primarily as investment in future instruction (Course and Curriculum Development). Curriculum committees are an example of the latter, even though some of their efforts is spent on current year course problems.

6100 INSTRUCTIONAL SERVICES

- 61XX Library
- 61XX Media
- 61XX Museums and Galleries
- 61XX Tutoring
- 61XX Clerical Services, whose prime duty is instruction, could be classified here.

The library activity includes activities that directly support the operation of catalog or otherwise classified collection of published material. Media services would exclude the audio equipment operation within a language lab (accounted under a CID category) unless the operation exists separately from the lab and provides similar services across the institution. Dial access centers and learning resource centers would be included in the Media services category. If television facilities, equipment, and personnel are providing general service to many disciplines, they are included under Media services, rather than any one CID category. Museums and galleries are related to the collection, preservation, and exhibition of historical materials, art objects, scientific displays, etc. Tutoring centers and tutoring conducted within specific instructional departments would be assigned to this category; however, expenditures (objects other than salaries and benefits) will be in the 5000 series of Other Operating Expenses.

6200 ADMISSIONS AND RECORDS

Included in this activity are the resources devoted to student admissions and evaluation, transfer evaluations, registrations, transcripts, degree certifications, and student records, statistics, and publications.

6300 COUNSELING AND GUIDANCE

This includes the counseling service and career guidance for the student body. Excluded is any informal counseling or "advising" by teaching personnel.

6400 OTHER STUDENT SERVICES

- 64XX Student Personnel Administration
- 64XX Financial Aid Administration
- 64XX Health Services
- 64XX Housing Services
- 64XX Student Transportation

Student personnel administration includes the dean or assistant dean of students and supporting staff engaged in the college or district wide administration of student personnel activities. Financial aid does not include the dollars for actual grants and scholarships but rather the cost of administering such aid along with loans, and determinations of financial need. (Actual aid payments would be recorded under Transfers, 7300.) Efforts at placing students in work would be included. Transportation is that involved in taking students to and from the college and does not include field trips for courses or other specific purposes. The latter would be charged as an operating expenditure to the appropriate CID instructional category. Health services encompass those activities now included under the school accounting manual category 400. This includes medical, dental psychiatric, and nurse services for students.

6500 MAINTENANCE AND OPERATION OF PLANT

This includes all services required for the operation and maintenance of the institution's grounds and facilities: utilities, building maintenance, grounds maintenance and related custodial services. Excluded from this are expenditures for new facilities.

6600 PLANNING AND POLICYMAKING

This consists of all central Executive-level activities concerned with the management and long-range planning of the entire district, as contrasted to any one program within the district. Most prominent here is executive direction, consisting of the governing board, the chief executive officer, and the senior executive officers (e.g., college-wide and district-level management, including superintendents, presidents, assistant superintendents or vice presidents and their staff). Also included are those operations devoted to legal services, analytical studies, and the planning of institutional budgets and facilities.

6700 GENERAL INSTITUTIONAL SERVICES

67XX Fiscal Operations
67XX General Administrative
67XX Logistics
67XX Staff Services
67XX Community Relations

Fiscal operations include budget control, audit, investment accounting, payroll, and management of contracts and grants. General administrative services include noninstructional data processing, personnel management, and maintenance of employee records. (Instructional data processing such as computer assisted instruction to the CID category related to the course, just as would closed-circuit television used in teaching specific courses.) Logistical services include campus security, fire protection, insurance environmental safety, purchasing, warehouse and stores, the equipment pool and property management, and communications services such as reproduction and printing. In addition, specific staff transportation services such as a garage and motor pool would be placed here.

Staff services are activities designed for the convenience of staff. In addition, participation of nonacademic employees on committees such as CSEA would be included. Community relations include such activities as maintaining relationships with the general community, alumni, or other constituents as well as development and fund raising.

(The above categories encompass costs traditionally termed as the "current expense of education." With the exception of certain expenditures: student transportation, EOA, lease agreements, etc., this forms the basis for the "50 percent law" calculation in Education Code Section 17503.)

6800 COMMUNITY SERVICES

This includes activities providing general public services to the community at large or special groups within the community. Included are such activities as conferences, lecture series, institutes, recreational activities, and civic centers. Specifically excluded are adult education classes for which state apportionment is received. The latter would be recorded under the appropriate CID discipline category. Museums and galleries are included if funded from community service tax.

6900 ANCILLARY SERVICES

69XX Food
69XX Parking
69XX Bookstore
69XX Social and Cultural Development
69XX Student Housing (Dormitories)
69XX Child Care Centers

The first three subfunctions are self-explanatory. Social and cultural development includes student activities, such as the newspaper and associations, intercollegiate athletics, and intramural athletics which are not a part of the physical education curriculum. Student housing activity would include that devoted to the operation of dormitories and actual housing facilities by the college.

7000 AUXILIARY OPERATIONS

Included in this function are the specially funded activities (often termed "programs") which are not typically associated either with regular instruction or noninstructional functions described above. Included are programs such as EOPS, EIN, MDTA, Headstart, EOA, etc. Possible indirect overhead from noninstructional functions which may "support" these programs (general administrative services, logistical services, maintenance and operation of plant, etc.) would not be included here. Also included are activities independent of the institution's mission such as operation of commercial rental property for income.

7100 BUILDING

Included in this function are the resources and capital outlay expenditures required in developing campus physical facilities. The expenditure objects reported for this function are listed under capital outlay and differ from those used in functions devoted to current operations.

7200 DEBT SERVICE

7300 TRANSFERS

7900 APPROPRIATION FOR CONTINGENCIES (formerly Undistributed Reserve)

Appropriation for contingencies is that portion of the current fiscal year's appropriation that is not designated for any specific purpose but is held subject to the intrabudget transfer; that is, transfer to other specific appropriations as needed during the fiscal year. No expenditure shall ever be recorded under this classification; it is an appropriation classification only.

FOUR STRUCTURE COMPARISON

1 PROPOSED STATE-LEVEL ACTIVITIES Chancellor's Office	2 PROPOSED ACTIVITY CENTERS CCJCA Ad Hoc Committee	3 PROGRAM CLASSIFICATION STRUCTURE SUB-PROGRAMS NCHEMS at WICHE	4 FORMER CALIFORNIA SCHOOL ACCOUNTING MANUAL Department of Education
Instruction (major discipline categories from CID)	1. Instruction (categories from CID)	1.1 General Academic Instruction 1.2 Occupational and Vocational 1.3 Special Session 1.4 Extension (credit) 3.1 Continuing Education 5.2 Supplementary Educational Service (categories from HEGIS)	200. Instruction (Except as noted below) 731. Instructional Equipment Replacement 810-840. Staff Benefits*
Instructional Support	1. General Instructional Services 2. Other Instructional Administration and Coordination Services	4.6 Academic Administration 4.7 Course and Curriculum Development	112,122,192. Educational Administration 211,212. Principals, Supervisor's Salaries 220. Classified Salaries of Instruction* 290. Other Expenses of Instruction* 731. * 732. Non-Instructional Equipment Replacement* 810-840. *
Instructional Services	1. General Library Services 2. Multi-media Services	4.1 Libraries 4.2 Museums and Galleries 4.3 Audio/Visual Services	214. Other Certificated Salaries of Instruction* 220. * 230. Textbooks* 240. Other Books* 290. * 731. * 810-840. *
Admissions and Records	1. Admissions and Records	6.3 General Administrative Services** (6.3.8220)	220. * 290. * 732. * 810-840. *

* Only a portion (proration) of the CSAM category will be reported in this position.
**Comparable only at Program Subcategory level.

1 PROPOSED STATE-LEVEL ACTIVITIES Chancellor's Office	2 PROPOSED ACTIVITY CENTERS CCJCA Ad Hoc Committee	3 PROGRAM CLASSIFICATION STRUCTURE SUB-PROGRAMS NCHEMS at WICHE	4 FORMER CALIFORNIA SCHOOL ACCOUNTING MANUAL Department of Education
Counseling and Guidance	1. Counseling and Guidance	5.3 Counseling and Career Guidance	214. * 220. * 290. * 732. * 810-840. *
Other Student Services	1. Health Services 2. Financial Aid	5.4 Financial Aid 5.5 Student Support** (5.5.7320)	400. Health Services 732. * 810-840. *
Maintenance and Operation of Plant	1. Utilities Services 2. Maintenance Services 3. Grounds Services 4. Custodial Services	6.5 Physical Plant Operations	600. Operation of Plant 700. Maintenance of Plant (Except 731) 810-840. *
Planning and Policy-making	1. General Administrative Services 2. Institutional Research 3. Facilities Planning and Construction Services	6.1 Executive Management	111,121,191. General Administration 732. * 810-840. *
General Institutional Services	1. College Administrative Services 2. Personnel Services 3. General Business 4. Production Services 5. Data Processing Services 6. Campus Security 7. Communication Services 8. Staff Services 9. General Student Personnel Administrative Services 10. Other Operations Services 11. Transportation Services	6.2 Fiscal Operations 6.3 General Administrative Services 6.4 Logistical Services 6.6 Faculty and Staff Services 6.7 Community Relations	100. Administration (except as noted above) 500. Pupil Transportation 810-840. * 890. Other Fixed Charges

Note: The above categories encompass costs traditionally termed as the "current expense of education." With the exception of certain expenditures, pupil transportation, EOA, lease agreements, etc., this forms the basis for the 50 percent law calculation, (EC 17503.)

* Only a portion (proration) of the CSAM category will be reported in this position.

**Comparable only at Program Subcategory level.

1 PROPOSED STATE-LEVEL ACTIVITIES Chancellor's Office	2 PROPOSED ACTIVITY CENTERS CCJCA Ad Hoc Committee	3 PROGRAM CLASSIFICATION STRUCTURE SUB-PROGRAMS NCHEMS at WICHE	4 FORMER CALIFORNIA SCHOOL ACCOUNTING MANUAL Department of Education
Community Services	1. Community Services	3.2 Community Service	810-840. * 1100. Community Services
Ancillary Services	1. Food Services 2. Student Activities 3. Bookstore 4. Student Housing 5. Parking Services	5.1 Social and Cultural Development 5.5 Student Support** (5.5.7310) (5.5.7330) 6.4 Logistical Services (6.4.8260)	810-840. * 900. Food Services (Miscellaneous Expenditure categories from non-general fund sources)
Auxiliary Operations	1. Specially Funded	7.1 Institutional Operations 7.2 Outside Agencies	(Miscellaneous Expenditure categories from non-general fund sources.)
Building Program	1. General Facilities and Capital Outlay Projects		1200. Capital Outlay
Debt Service, Transfers Contingencies			1300. Debt Service 1400. Outgoing Transfers

* Only a portion (proration) of the CSAM category will be reported in this position.
**Comparable only at Program Subcategory level.

ABATEMENTS OF EXPENDITURES

Abatement of expenditure is the cancellation of a part or the whole of a charge previously made, usually owing to refunds, rebates, resale of materials originally purchased by the district, or collections for loss or damage to district property. Abatement of expenditure applies to both current expense and capital outlay expenditures from all funds. Tuition receipts, fees, and rentals shall not be treated as abatement of expenditure. This definition must be observed in making all decisions as to whether a receipt is to be reported as income or as an abatement of expenditure.

The basic distinction that must be borne in mind is that an abatement of expenditure must always represent a receipt that cancels a part or the whole of a determinable item of previous expenditure. If a receipt cannot be substantiated as a cancellation of a specific expenditure, it must be reported as income.

The term receipt, as used here, is to be considered as referring to the receipt of cash, except in those districts in which the accounting is on an accrual basis. Districts operating on an accrual basis enter an abatement of expenditure prior to the receipt of cash, that is, as an account receivable. Adjustments between expenditure accounts to correct errors in the distribution of charges should not be considered as abatement of expenditure.

ACCOUNTING INSTRUCTIONS FOR ABATEMENTS

Receipts that represent cancellations of expenditures must be accounted as abatements of expenditures previously incurred by crediting such receipts to the respective expenditure accounts, thereby eliminating any credit to income accounts.

Receipts representing abatements of expenditures must be accounted by abating the appropriate expenditure accounts during the fiscal year in which the receipts and the expenditures occur. In no case may receipts of a current fiscal year be accounted as abatements of expenditures of a prior fiscal year. If an abatement does not occur in the same year as the expenditure or a receivable has not been set up, the receipt should be shown as a receivable when it occurs and will, therefore, be an adjustment to the beginning balance. It shouldnot go into either income or expense.

Abatements of expenditures must be accounted as such at the time that the receipts occur throughout the fiscal year by immediately crediting the receipts to the appropriate expenditure accounts instead of crediting them to any income account.

Except as the accounting is maintained on a current basis in the records of the county superintendent of schools, the Community College district must report to the county superintendent at the end of the fiscal year on all abatements of expenditures.

All appropriations, apportionments, subsidies, or grants-in-aid from any governmental unit must be accounted as income receipts, not as abatements of expenditure.

USE OF CONTRA ACCOUNTS

Whenever abatements of any particular type are numerous, and especially if considerable amounts are involved, it is recommended that the credits be made to a contra account instead of directly to the expenditure account. The contra account should be identified as "Abatements of _____" (inserting the name of the expenditure account to which it relates). It should be maintained adjacent to the corresponding expenditure account in the expenditure (or appropriation) subsidiary ledger. The contra account will receive only credit entries for abatements. By this procedure, the undesirable features of a "mixed" account are avoided, and gross expenditure, abatements, and net expenditure can be determined easily at any time.

RELATIONSHIP OF ABATEMENTS OF EXPENDITURE TO APPROPRIATION CONTROL

Regardless of whether abatements of expenditure are treated as direct credits to expenditure accounts or as indirect reductions of expenditure by the use of contra accounts as described under the preceding heading, the control of expenditures must be in terms of net expenditures. Districts that anticipate abatements of expenditure items should prepare their budgets on the basis of net expenditures and attach supporting schedules indicating the anticipated gross expenditures and the anticipated reduction by reason of abatements of such expenditures.

PRINCIPAL TYPES OF ABATEMENTS OF EXPENDITURE

The following receipts must be accounted as abatements of expenditures if receipt and expenditure occur in the same fiscal year:

1. Receipts from sales of supplies and new materials at cost (a) to students for personal ownership (e.g., art and shop materials); (b) to students by means of vending machines dispensing articles supplied by districts; or (c) to other governmental units, including Community College districts.

   NOTE: Some of these sales may be credited to stores accounts instead of being abated to expenditure accounts, depending on the local accounting methods employed.

2. Refunds of overpayments (a) from teachers and other employees; or (b) from vendors and other payees.

3. Refunds for return of containers, oil drums, wire spools, and the like.

4. Reimbursement of cost of repairs or replacement of damaged or lost property (a) from students, parents, or guardians for loss of books or damage to district property; or (b) from contractors or any other individuals for damage to or loss of district property.

5. Refunds from a transportation company for unused portions of carfare books, tickets, and the like.

6. Refunds of gasoline tax for nonhighway use.

7. Cancelled warrants (not outlawed warrants).

8. Receipts from sale, in lieu of trade-in of used equipment being replaced, such as automobiles, typewriters, and the like.

9. Refunds of premiums or dividends on insurance.

10. Receipts from settlements of insurance claims on account of building, supply, and equipment losses (a) of any amount received for loss of a building requiring replacement or reconstruction within the current fiscal year; or (b) any amount received on account of a loss of supplies or equipment.

    NOTE: The total amount recorded as abatement of expenditures made for repair or replacement of supplies or equipment losses shall not exceed the amount expended for this purpose during the same fiscal year.

11 Receipts from the sale either of a portion of a new site or of buildings or improvements thereon.

12. Receipts from subleasing an unused portion of premises that the district had to rent as a whole to obtain the portion desired for college purposes.

    NOTE: Any amounts received in excess of the related expense shall be recorded as miscellaneous revenue (income), and not as abatements.

IV

SUPPLIES, EQUIPMENT AND CAPITAL OUTLAY

Distinguishing between supplies and equipment and between equipment and capital outlay is frequently difficult. However, districts must correctly identify each expenditure to maintain necessary accounting uniformity.

Determining whether an item is equipment or supplies can be determined by the length of time it is serviceable and its contribution to the plant value. Supplies are consumed and replaced without increasing the value of physical properties of the district. Equipment has relatively permanent value -- its purchase increases the value of district physical property.

Expenditures for equipment, imporovement of sites, and building are usually charged as capital outlay; those for supplies, as current expense. The original purchase of equipment or of capacity-expanding equipment is recorded in object classification 6400; expenditures for replacement of equipment are charged to 4800.

All Community College districts should use the same criteria for making these decisions.

Criteria to Distinguish Supplies From Equipment

Supplies are expendable, consumed or worn out, deteriorating in use, or easily broken, damaged, or lost. Examples: paper, pencils, cleaning materials, nails, scissors, test tubes, thumbtacks, and keys.

Items with relatively short service life and replaced frequently are charged as supplies. Examples: brooms, chamois, and rubber stamps.

Some articles do not belong to either of these groups. They have characteristics of equipment but low unit cost, are frequently lost, broken, or worn out and replaced in normal use. To obtain uniformity, the classifier should assign items to the various classifications on the basis of the answers he must give to questions in the following list which pertain here. If the answer to any one of these five questions is yes, the item should be classified as a supply, and recorded under object classification 4000 except for classification 4800, Equipment Replacement. If all answers are no, the item should be classified under object classification 6400.

1. Does the item lose its original shape and appearance with use?
2. Is it consumable, with a normal service life of less than two years?
3. Is it easily broken, damaged, or lost in normal use?
4. Is it usually more feasible to replace it with a new unit than repair it?
5. Is it inexpensive having the characteristics of equipment? Does the small unit cost make it inadvisable to capitalize the item?

Criteria for Identifying Capital Outlay

Capital outlay expenditures result in acquisition of capital assets or additions to capital assets. These expenditures are for sites; improvement of sites; buildings or their improvement; and purchase of initial or additional equipment.

Equipment (6400) includes movable personal property of a relatively permanent nature and/or of significant value. Examples: furniture, machines, musical instruments and vehicles.

Nonconsumable articles generally classified as supplies should be classified as equipment if they are purchased to start or expand materially the equipping of another facility. Equipment constructed by district employees should record the cost of the materials and labor as the total cost of the item produced.

New sites and improvement of sites (6110, 6120) includes acquisition of land, improvement of new and old sites and adjacent ways, and acquisition of physical property of a permanent nature attached to land. Examples: land, curbs, grading, playground surfacing, retaining walls, sidewalks, storm drain systems, landscaping, driveways, parking lots, fixed playground apparatus, and flagpoles.

Building (6200) includes new construction, improvements and remodeling, fixtures, and service systems. Construction or purchase of new buildings and additions, includes advertising costs, architectural and engineering fees, blueprints, inspection, tests and examinations, demolition, razing of existing obsolete or old buildings to clear sites for new buildings, building fixtures and service systems, and any other expenditures directly related to the construction or acquisition of buildings.

Also included are alterations, remodeling, renovations, and replacement of buildings in whole or in part. Such improvements include replacing existing building units or construction improved or superior units, usually resulting in more efficient or longer-lasting property. Significant improvement should be considered a capital outlay.

Improvement of buildings must be recorded under object classification 6200.

Fixtures include attachments to buildings that are not subject to transfer or removal, presumably function as an integral part of the building, with a fairly long and useful life. Such fixtures are generally accepted as real property and lose functional identity as separate units.

Service Systems

Service systems serve a single function throughout a building; are usually included as a part of the original construction or subsequently added; are an integral part of a building; and are expected to have a long and useful life. Such systems are generally accepted as real property and lose identity as separate units. Examples: intercommunication systems or air-conditioning systems.

To be classified as either a building fixture or a service system, an item must conform to five criteria:

1. Attached permamently to the building,
2. functions as part of the building,
3. removal of the item results in appreciable damage to the building or impairs the designed use of the facility,
4. is generally accepted as real property (not personal property), and
5. loses identity as a separate unit.

Fixed assets can be acquired by purchase, rental, lease, or lease with option to purchase. Purchase of a fixed asset is charged as any other purchase for which title passes upon receipt of payment.

Rental of a fixed asset does not increase the assets of the district and therefore is not capital outlay. Rentals are charged to 5600, except for equipment rented for specific capital outlay projects (e.g., a tractor for a major landscaping project). The latter should be added to that project as a capital expenditure.

Lease of a fixed asset where title does not pass to the district is charged to 5600.

Lease with option to purchase a fixed asset is charged to 6500.

V

ACTIVITY MEASURES

Activity measures are to be reported on CCAF-III (Appendix A-I).

Activity measures identify the resources used in each of the activities carried on by the college or district. These data provide the overt explanation of expenditure levels and the basis for decisions related to the "internal or technical efficiency" of the Community College operation. It is possible, for example, to examine the efficiency of registration and admissions or plant maintenance activities from year to year or compared to other institutions with similar activities. Objective activity measures (such as applications or students processed) provide the capability to evaluate internal college efficiency and explore alternative arrangements for increasing that efficiency.

Instructional activities (listed in the CID) may be measured by a number of traditional indices. This is not true for noninstructional activities such as maintenance of plant and library for which measures will be developed later with the assistance of college personnel.

INSTRUCTION

Separate activity measures are recorded for each of 25 major discipline divisions of the CID. The measures are as follows:

Full-Time Equivalent Staff, for the following staff types:

Certificated, Regular Schedule, Teaching
Certificated, Regular Schedule, Nonteaching
Certificated, Other, Teaching
Certificated, Other, Nonteaching
Classified, Classified Service, Noninstruction
Classified, Classified Service, Instructional Aid
Classified, Other, Noninstruction
Classified, Other, Instructional Aid

"Full-time equivalency" (FTE) is determined by each district. Common practice is to specify a certain number of "teaching or lecture unit equivalencies" (TUE's or LUE's) as the full-time assignment of an individual faculty member on contract under the regular certificated schedule. Each TUE or LUE is based upon one hour of lecture or one hour of laboratory weighted by a factor of less than one (depending upon district or college policy).

The basis for developing FTE for Certificated, Other would be the same LUE or TUE policy used in the district for faculty on regular contract.

FTE measures for Classified staff in the Classified Service also are determined by each district. Again, FTE's for hourly, part-time or others not in the classified service would be the same basis as for those in the service.

Section Size

This involves, for each CID discipline division, recording the number of students in each course sections, graded and ungraded, taught in the instructional program of the district. Section size is determined as of (1) census week in graded courses or (2) the actual average over the term or 1/5 of the way into the term for nongraded courses. (Community service courses would be excluded.) The mean and, at least, the following distribution would be recorded:

Number of courses with	0 - 5 students
	6 - 10
	11 - 20
	21 - 30
	31 - 40
	41 - 50
	51 - 75
	76 - 100
	More than 100

Courses (number)
Sections (number)
Weekly Faculty Contact Hours (WFCH)
Weekly Student Credit Hours (WSCrH)
Weekly Student Contact Hours (WSCH)

In all instances of measuring course activity (whether it be students, faculty, number of courses, etc.), measurement would be made at census time, i.e., fourth week of semester or quarter, second week of summer or one-fifth of the way into any other irregular term. In each case the measurement unit relates to the term. Thus, WSCH would be weekly semester or quarter term student contact hours for the year. Measures for summer and other irregular terms would be converted to semester or quarter equivalents: weeks in term/16, 17, 18 -- as appropriate -- for semester system colleges or weeks in term/11, 12, 13 -- as appropriate -- for quarter system colleges.

These measures would be recorded for each of the 25 CID major discipline divisions. In addition, the measures would be recorded for the following course types:

1. Graded Classes
2. Adult (Nongraded) Classes

1. Vocational Education Act (VEA) Qualifying
2. Not VEA Qualifying
   (Based upon criteria in California State Plan for Vocational Education)

1. Regular Term
2. Summer or Special Session (reported for fiscal year in which session is completed.)

1. Day (starting prior to 5 p.m.)
2. Evening (starting after 5 p.m.)

1. Lecture
2. Laboratory-Activity-Discussion
3. Coordinated Instruction Systems

Coordinated Instruction Systems courses may include activity beyond just the state approved programs, and in which a variety of teaching methods are utilized, including mechanical and electronic devices, self-instructional material and other similar teaching techniques.

NONINSTRUCTION

FTE staff measures similar to the instruction activities should be used for noninstructional functions, excepting certificated individual whose contract is based upon 12 months' employment and who represents 1 FTE. (This contrasts with the 10-month employee, who works 12 months, whose salary is based upon a factor applied to the 10-month rate, and who represents 1+ FTE.)

Activity measures for noninstructional functions are to be developed.

VI

GENERAL AND SUBSIDIARY LEDGER ACCOUNTING

General ledger accounting is recommended, though not required.

This discussion of general ledger accounting, prepared initially for elementary and secondary schools, is applicable as modified to Community College budgeting, accounting and reporting.

Definition of General Ledger Accounting

A general ledger is a basic group of accounts in which are recorded in summary or in detail all transactions of a fund. Each fund should have its own records, including a self-balancing general ledger and subsidiary ledgers as needed, regardless of how small or brief such ledgers may be. This should not be construed as necessitating separate binders for looseleaf ledger pages or separate trays for machine-posted ledger sheets; the physical separation achieved by division leaves or guides is sufficient if the self-balancing principle is maintained for each portion.

General and Subsidiary Ledgers

Ledgers are comprised of accounts. An account is a device, usually a separate page, sheet, or card for the accumulation of debit and credit postings and the determination of the excess of debits or credits, known as the debit or credit balance, respectively. Accounts usually provide for the columnar showing of date and posting reference and often for some description of each posting. Accounts usually have separate columns or fields for debits, credits, and balances.

All accounts may be carried in a single ledger. Proof of the accuracy, completeness, and balanced condition of accounting can be achieved by trial balance, which should be taken frequently, at least monthly. Other means of verifying account balances should be utilized regularly. For example, the balance of the account, Cash in County Treasury, should be reconciled with the records of the county superintendent of schools or of the county auditor on a regular, periodic basis. (The county treasurer's records normally show a larger balance, the difference representing warrants not yet honored.) The account, Revolving Cash Fund, can be verified by making a count of cash and receipts for disbursements. Other accounts are susceptible to proofs of various kinds. These checks or proofs should be employed regularly.

Accounts named here are needed by most districts. However, certain accounts may be of little use to some small districts. On the other hand, there are specific divisions of certain accounts useful to large urban districts. For example, large districts employ workmen for maintenance, alteration, and minor construction. Proper accounting of labor and material for job accounts and work orders each fiscal year requires a Work-in-Process or similarly named account, maintained on the encumbrance basis.

If ledger accounts become too numerous, it is more difficult to apply the trial balance proof. Accounts of similar nature are removed to a subsidiary ledger with substitution of a single controlling account in the General Ledger. Two subsidiary ledgers with controlling accounts are explained here. Other examples of controlling accounts for which subsidiary ledgers (or comparable supporting detail) should be maintained include the following: Accounts Receivable, Investments in U.S. Securities, Stores, Prepaid Expense, Fixed Assets (four kinds of property), Current Liabilities, and Reserve for Encumbrances.

Accounts pertaining to income may be maintained in the General Ledger. Analysis by source should parallel the pattern of the district budget form, using an account for each source. A subsidiary ledger is often desirable. Each account should contain two parts -- actually two accounts. The first part should be used for estimated income. The second part should be used for actual income. The amount by which estimated income balance (debit) exceeds the actual income balance (accumulated credits for the year to date) represents unrealized income: the anticipated amount for the remainder of the fiscal year. Actual income in excess of estimated income signifies an underestimate. The two portions of the several income ledger accounts are controlled by General Ledger accounts, Estimated Income and Income.

Accounts pertaining to appropriations and expenditures are maintained only in the General Ledger. However, the required classes of expenditure are sufficiently numerous to justify the establishment of a subsidiary ledger. Further, the statutory requirement for appropriation control of expenditure is facilitated by use of a special form which is not suitable for General Ledger accounts. This subsidiary ledger is usually called an Appropriation Ledger which contains a minimum of two parts: for appropriation (credit) and expenditures (debit). Expenditures are limited by appropriations with respect to the major classes of expenditure.

Expenditures are classified in two ways within the subsidiary ledger: in detail by activity and in summary by object of expenditure. For example, instructional supplies would be posted to each using activity then subtotaled to the object account for control. The total of all of the object accounts would support the subsidiary entry in the General Ledger.

Every proposed expenditure should be compared with the unencumbered balance (appropriation minus expenditures and encumbrances) of the proper account to determine whether the balance is adequate. Expenditures include not only those items for which payments have been made but also those that have become current liabilities. There often are appreciable delays between the time that goods or services are received and the time of expenditure posting. The interval between authorization and consumation of an expenditure may be even greater. For these reasons, recognition must be given to all outstanding commitments against each appropriation account when considering expenditures. This is accomplished by informal methods in relatively small districts. For large districts, the encumbrance accounting method is generally used so that each proposed expenditure is compared with the unencumbered balance (appropriation minus expenditures and encumbrances). The Appropriation Ledger accounts are controlled by General Ledger accounts designated as Appropriations, Expenditures, and Encumbrances, respectively.

Transfers for tuition and the like are not classed as expenditures in the strict meaning of the term; however, transfers should be accounted for in the Appropriation Ledger. Appropriation for Contingencies is an appropriation that should be carried in the Appropriation Ledger although no expenditures should ever be charged to that category. General Reserve should be a General Ledger account only. Stores is a General Ledger account.

Appropriation control is not necessarily maintained for all of the subordinate accounts for which expenditure analysis is desired.

The accounting of income and of expenditures, as currently practiced in most districts, is on a cash basis during most of each fiscal year. At the close of each fiscal year, modification of a cash record is required by the entry of current liabilities, representing expenditures incurred during the fiscal year. Similarly, at the end of the year, entry of accounts receivable, representing income accrued during the fiscal year, is required. Not all income that has theoretically accrued is required to be entered as receivable. For example, taxes levied but uncollected are not required to be set up as receivable for the preparation of state reports. Since a considerable part of the accounting is very nearly on a cash basis and since the year-end modifications do not constitute the full accrual of certain income, the term modified cash basis may be employed as descriptive of accounting practices as currently authorized.

Standard commerical forms including those for both general and subsidiary ledgers as well as specialized forms such as those for the Appropriation Ledger are suitable in many cases for either manually or machine-posted accounts. Accounts may also be maintained by computer.

General Ledger Accounts

All General Ledger accounts commonly required for Community College accounting are listed here in the following Chart of Accounts. While all of these accounts are pertinent to the General Fund, they also may be applicable to the several other funds which a district may maintain. Brief explanations concerning the use of the accounts are given in each case, and in some cases comments regarding the significance of debit or credit balances of such accounts are also included.

Certain accounts, such as Revolving Cash Fund, Cash Collections Awaiting Deposit, Investments in U.S. Securities, Accounts Receivable, Stores, and Prepaid Expenses, are provided especially for use by large districts and may be omitted by small districts if they are not needed.

Chart of Accounts

	Assets	Normal Balance
9110	Cash in County Treasury	Dr
9120	Cash in Bank(s) (Education Code Section 5758 or 7405 only)	Dr
9130	Revolving Cash Fund (Education Code Sections 21301-21305)	Dr
9140	Cash Collections Awaiting Deposit (Education Code Sections 17152-17207)	Dr

9150	Investments in U.S. Bonds at Cost (Education Code Section 17203)	Dr	
9160	Accounts Receivable	Dr	
9170	Due from Other Funds	Dr	
9180	Student Loans Receivable	Dr	
9210	Stores	Dr	
9220	Prepaid Expenses	Dr	
9300	Other Current Assets	Dr	
9310	Assets Frozen	Dr	
9400	Fixed Assets	Dr	
	Liabilities		
9510	Accounts Payable (Current Liabilities)		Cr
9520	Due to Other Funds		Cr
9530	Temporary Loans		Cr
9540	Deferred Income		Cr
9550	Loans Receivable - Student		Cr
	Reserves		
9610	Reserve for Working Capital		Cr
9620	Reserve for Encumbrances		Cr
9630	General Reserve		Cr
9690	Investment in Fixed Assets		Cr
	Fund Balances		
9710	Unappropriated Fund Balance		Cr
	Budgetary and Control Accounts		
9810	Estimated Income	Dr	
9820	Appropriations		Cr
9830	Encumbrances	Dr	
9840	Income		Cr
9850	Expenditures	Dr	
	Non-Operating Accounts		
9910	Suspense Clearing	Dr	

Definitions of, and explanatory notes about, the accounts listed in the Chart of Accounts follow:

9000 ASSETS, LIABILITIES, AND FUND BALANCES

9100 Cash, Investments, and Receivables

9110 Cash in County Treasury. Beginning cash balance, plus all monies deposited in the county treasury less disbursements. Included herein are all amounts added or deducted at the county level.

9120 Cash in Bank(s). Indicated balances in separate bank accounts for Adult Education Incidentals, College Farm accounts, and Cafeteria accounts if maintained by the district (EC 5758, 7405, and 17053).

9130 Revolving Cash Fund. (1) A recording of the establishment and maintenance of a cash fund for the use of the chief accounting officer or other designated official of the district in accordance with EC 21301-21305, 21320, 21330 and 21331. This fund is similar in use and control to accounts known as Petty Cash. Once this fund is established, it should be carried indefinitely in the General Ledger and shown in all balance sheets and budgets until abolished. The amount recorded will vary only through increase or decrease in the total amount approved for the fund. It should be noted that the Revolving Cash Fund is a reservation of cash within an already established fund and is not to be considered or accounted for as a separate fund or entity. (2) A sum of money, either in the form of currency or a special bank account, set aside for the purpose of making change or immediate payments of small amounts. The invoices for these payments are accumulated and the fund is reimbursed from district funds, thus maintaining the fund at the predetermined amount.

9140 Cash Collections Awaiting Deposit. Receipts not yet deposited in the county treasury, including any monies in bank clearing accounts awaiting deposit in the county treasury (Education Code Section 17204).

9150 Investments in U.S. Bonds. Securities issued by the United State Government in which money is invested. Investments are carried on books at cost (Education Code Section 17203).

9160 Accounts Receivable. Amounts due from private persons, firms or corporations, or governmental units, excluding amounts due from other funds of the district, including amounts billed but not received.

9170 Due from Other Funds. Amounts due from other funds of the district.

9180 Student Loans Receivable. Loans to students under federal loan programs.

9200 Stores, Inventories, and Prepaid Expenses

9210 Stores. Amounts of materials, supplies, and possibly certain equipment kept in a central warehouse and not yet charged to expenditures (see Part V of this manual).

9220 Prepaid Expenses. Amounts of payments made in advance of the receipt and utilization of services. Prepaid insurance premiums are illustrative. That portion of the premium paid in advance for coverage beyond the current fiscal year is charged to Prepaid Expenses. Adjustments to this account in the succeeding fiscal years apportion the premium over the period covered.

9300 Other Current Assets. Assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities.

9310 Assets Frozen. Funds withheld until certain legal requirements are met (e.g., funds withheld under provisions of Education Code Section 17503).

9400 Fixed Assets. Assets of a permanent character having continuing value; e.g., land, buildings, machinery, furniture, and other equipment. The term capital assets is sometimes used in the same sense, but fixed assets is preferred.

9410 Land

9420 Improvement of Sites

9430 Buildings

9440 Equipment
(Refer to object classification 6000 for definitions of the above four accounts.)

9450 Work in progress. An asset representing the value of partially completed work.

9500 Liabilities. Legal obligations, exclusive of encumbrances, that are unpaid.

9510 Accounts Payable or Current Liabilities. Amounts due to private persons, firms, corporations, or governmental units for services or goods received prior to the end of the fiscal year, excluding amounts due to other funds of the district. Included are unpaid salaries and payroll deductions not yet remitted. Accounts payable refers to amounts that are due and payable within a relatively short period of time, usually not longer than a year.

9520 Due to Other Funds. Amounts due to other funds within the district.

9530 Temporary Loans. Short-term obligations representing amounts borrowed for short periods of time and usually evidenced by notes payable. They may be unsecured or secured by specific revenues to be collected, such as tax anticipation notes.

9540 Deferred Income. A liability account for monies received that are unearned at a given date, but that will be included in income, as earned, in subsequent periods.

9550 Student Loans Receivable (Overdue) - Loans which are currently in default.

9600 Reserves

9610 Reserve for Working Capital. An account set up to reflect the value of working capital accounts such as Stores, Prepaid Expenses, and Revolving Cash Fund. At the beginning of the fiscal year, this account is credited with the same amounts set up as debits to the previously described asset accounts. At the close of the year, it is adjusted to reflect the net increase or decrease during the year in these amounts.

9620 Reserve for Encumbrances. A reserve set up out of appropriations. The encumbrance procedure may be either a memorandum or a formal procedure. Under the memorandum procedure, only one account, Reserve for Encumbrances, is required. During the year this account is a reserve set up out of appropriations. At year-end the outstanding orders may be recorded as a reservation of surplus. Under the formal procedure, a second account, Encumbrances, is needed. The encumbrance is an offset to the Appropriation Account and may be closed against the account at year-end.

9630 General Reserve. An account in which the budgeted reserve is recorded, necessary so that cash may be made available during that period of the fiscal year when taxes and state funds have not yet become available (EC 20604).

9690 Investment in Fixed Assets. The book value of fixed assets.

9700 Fund Balance. The difference between assets and liabilities.

9710 Unappropriated Fund Balance. That portion of a fund balance that is not segregated for specific purposes. All assets and estimated income available for appropriation are credited to this account. General Reserve, budgeted appropriations, and other obligations are debited. The net value of the account represents the unappropriated fund balance.

9800 Budgetary and Control Accounts

9810 Estimated Income. All income estimated to accrue during a given period whether it is all collected during that period or not. This account will be a separate control account in the General Ledger and will include all income estimated to accrue during the current fiscal year.

9820 Appropriations. Authorization granted by the Board to make expenditures and to incur obligations for specific purposes and amounts within a given period. This account represents the total of the authorizations and is used as a control account in the General Ledger.

Details are recorded in the subsidiary Appropriations Ledger; as encumbrances and expenditures are made, they are charged against appropriations in the subsidiary Appropriations Ledger, leaving as a balance the amount that may still be encumbered and expended.

A portion of the current fiscal year's appropriation that is not appropriated for any specific purpose but is held subject to intra-budget transfer may be recorded in an account titled Appropriation for Contingencies. This subsidiary account will be closed at year-end in the same manner as all other appropriation accounts. This appropriation is used only for emergency transactions that were not anticipated in the original budget process.

9830 Encumbrances. Obligations in the form of purchase orders, contracts, salaries, or other commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances are liquidated when the obligation is paid or when the actual liability is set up. This control account represents the total amount of the appropriations that has been earmarked for expenditure for specified purposes.

Details of encumbrances by classification or account are recorded in the same subsidiary Appropriations Ledger in which expenditures are recorded.

9840 Income. Additions to cash or other current assets that do not reduce any other asset, nor increase any liability or reserve, nor represent the recovery of an expenditure. To the extent that the accounts are kept on an accrual basis, the term income refers to all income that accrues during a given period whether it is collected during the period or not. This account will be a separate control account in the General Ledger.

9850 Expenditures. A control account that includes total expenditures by warrants as well as amounts deducted at the county level. If accounts are maintained on an accrual basis, all charges incurred, whether paid or not, are included. For accounts maintained on a cash basis, only actual disbursements are included.

Details of expenditures by classification or accounts are recorded in the subsidiary Appropriations Ledger.

9900 Nonoperating Accounts

9910 Suspense Clearing. An account that carries charges or credits temporarily pending to the determination of the proper account or accounts to which they are to be posted and that may be used for posting of amounts not yet analyzed to decide if they should be income, expenditure, or abatement. Charges that must be allocated or prorated may be posted in this account until such allocation or proration can be calculated. This account must zero balance at the close of the fiscal year and should be reviewed monthly.

General Ledger Procedures

Certain procedures should be followed in opening and maintaining the General Ledger.

Opening the General Ledger:

In opening the General Ledger for the first time, care should be taken to use the proper accounts and amounts. These are usually available from either the county superintendent of schools or the county auditor.

Determining Asset, Liability, and Unappropriated Fund Balance Values. One of the first steps in opening the General Ledger is to list each fund's assets by title and amount with the total, as in the following example:

Account	Assets	
9110	Cash in County Treasury	$ 95,042.67
9120	Cash in Bank	0
9130	Revolving Cash Fund	500.00
9140	Cash Collections Awaiting Deposit	24.17
9150	Investments in U.S. Bonds	0
9160	Accounts Receivable	1,597.88
9170	Due from Other Funds	694.39
9180	Student Loans Receivable	5,000.00
9210	Stores	0
9220	Prepaid Expenses	1,572.38
9310	Assets Frozen	0
	Total Assets	$104,431.49

A similar list is then made of the fund's liabilities:

Account	Liabilities	
9510	Accounts Payable	$ 9,763.45
9520	Due to Other Funds	113.18
	Total Liabilities	$ 9,876.63

Now the total liabilities are subtracted from the total assets, and the difference is labeled Unappropriated Fund Balance in this manner:

Account		
	Total assets	$104,431.49
	Less: Total liabilities	9,876.63
9710	Unappropriated Fund Balance	$ 94,554.86

This information is now used to prepare an opening journal entry. This opening entry is usually made on a form known as a General Journal Entry Form, listing accounts affected and showing in separate columns the amounts to be posted later to the General Ledger as debits or credits. A complete file of these forms, either bound in a book or collected in some other file, makes up the General Journal.

Preparing the opening General Journal entry. The opening General Journal entry is made as follows:

J1:

Date	Account	Debit	Credit
7-1-73	9110 Cash in County Treasury	$95,042.67	
	9130 Revolving Cash Fund	500.00	
	9140 Cash Collections Awaiting Deposit	24.17	
	9160 Accounts Receivable	1,597.88	
	9170 Due from Other Funds	694.39	
	9180 Student Loans Receivable	5,000.00	
	9220 Prepaid Expenses	1,572.38	
	9510 Accounts Payable		$ 9,763.45
	9520 Due to Other Funds		113.18
	9710 Unappropriated Fund Balance		94,554.86
		$104,431.49	$104,431.49

To record assest, liabilities and unappropriated fund balance for the first time as of July 1, 1974

Several points should be noted as illustrated in the preceding General Journal entry. First, no account is opened that is not needed. For example, no amount is shown in the original list of assets for Cash in Bank, Stores, or Investment in U.S. Bonds. Therefore, no account was opened for any of these assets. Should a need arise later in the year for any of these accounts, the account may be opened at that time.

The second point to note is that the total of the debit amount equals the total of the credit amounts. This must always be true of any journal entry. Care exercised at this time in assuring the equality of debit and credit totals will avoid difficulty with the General Ledger later on.

Another point to note is the layout or "form" of the entry itself. The debit accounts and amounts are placed to the left, and the credit accounts and amounts are placed to the right. This is usual bookkeeping practice.

A final point is the description of the entry. This is the explanation of what is being done by means of the entry. In the illustration, the explanation shows that this entry records for the first time the assets, liabilities, and unappropriated fund balance of the fund as of July 1, 1973. Some description is always necessary in a General Journal entry. When at a later time entries are made from other sources such as payroll listings, warrant registers, and the like, explanations are usually unnecessary since the title of the form describes what is being done.

Posting the General Ledger. The General Ledger is posted from the General Journal. The term posted means the orderly transcription of the information from one place to another. Each line of the journal is posted to the proper ledger account as

either a debit or credit entry. For example, in the preceding illustration, the first line of the journal entry is "Cash in County Treasury. . . $100,042.67" and is posted to the General Ledger sheet, card, or record as follows:

Account 9110		Cash in County Treasury			Page 1
Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-73	J1	$100,042.67		$100,042.67	Dr

Note that the entry is made in the debit column and is also entered in the balance column. In this case, the amount of the debit is the same as the balance since there was no previous balance in the account. (Had there been such a balance, this entry would have been added to a debit balance or subtracted from a credit balance and the new balance entered.) Finally, in the last column an entry is made to show that the net balance of this account is a debit (Dr) balance.

Each line of the journal entry is similarly posted until the entire opening entry has been completely transcribed to the General Ledger. Opening of the General Ledger is now complete. At this point a total of nine General Ledger accounts will be open with balances the same as shown in the opening journal entry.

The column in the General Ledger account headed "Reference" is used to show the page or other reference to the source of entry. In this illustration the entry "J1" was made to indicate that information for this entry was obtained from the General (abbreviated as "J") and that it was found on page 1. Other references will oped for other posting sources as they are required. By this method any item General Ledger may be traced back to its origin without difficulty.

Recording the Approved Budget--Income

The approved Community College district budget form provides information for recording the budget in the General Ledger.

Determining values to be entered. The information to be entered is shown in column 3 of the budget form under the heading of Income.

The Income section of the General Fund budget might look like this:

I.	INCOME	
	8100 Federal Income	
	8110 Maintenance and Operation (PL 81-874)	$ 2,500
	8210 NDEA (PL 85-864)	1,000
	8500 Combined State and Federal Income	0
	8600 State Income	
	8610 Principal Apportionment	
	8611 Basic and Equalization Aid	277,528
	8616 Educationally Handicapped Minors	1,148
	8620 Special Purpose Apportionment	
	8622 Transportation, Regular	7,500

8700	County Income	0
8800	Local Income	
8810	District Taxes	
8811	Secured Roll	345,888
8812	Unsecured Roll	2,700
8900	Incoming Transfers	
8920	Tuition Transfers	3,000
	Other Estimated Income	$641,264

Each of the items of estimated income should be accounted for separately so that excess income or income deficiencies may be readily seen. This is accomplished by the use of a group of accounts known as the Income Ledger.

The Income Ledger is a subsidiary ledger. The total of the original estimates entered in this ledger agrees with the total of the General Ledger controlling account, Estimate Income. The subsidiary ledger (Income Ledger) and the General Ledger are both posted from the same journal entry.

The original entry of the approved income budget is subject to adjustment later if income estimates change.

Preparing the journal entry. The General Ledger and subsidiary ledger accounts and the amounts for each are listed in the journal entry as a record of the estimated income, as has been done in the following example:

J2:

Date	Account	Debit	Credit
7-1-74	9810 Estimated Income	$641,264.00	
	9710 Unappropriated Fund Balance		$641,264.00

Account	Subsidiary Income Ledger	
8110	Maintenance and Operation (PL 81-874)	$ 2,500.00
8210	National Defense Education Act (PL 85-864)	1,000.00
8611	Basic and Equalization Aid	277,528.00
8616	Educationally Handicapped Minors	1,148.00
8622	Transportation, Regular	7,500.00
8811	District Secured Tax Roll	345,888.00
8812	District Unsecured Tax Roll	2,700.00
8920	Tuition Transfers	3,000.00

To record estimated income for the fiscal year 1974-75 as contained in the official approved budget

Several things should be noted about the preceding journal entry. First, this is a General Journal entry, just like the one used to open the books for the first time. This one, however, also carries the information for posting a subsidiary ledger.

Next, note that this entry is referred to as simply a journal entry, rather than a General Journal entry. This is usual practice. The term "general" is used only when there is a possibility of confusion if it were omitted.

One should also observe the arrangement of the journal entry. The General Ledger amounts are carried in the debit and credit columns, respectively. Subsidiary ledger amounts are carried to the left and do not have the balancing feature of debits and credits. This simply means that the single postings to the individual Income Ledger accounts represent the breakdown of the total shown in the Estimated Income, General Ledger, account.

Posting the General Ledger. The journal entry for recording the approved budget is posted to the General Ledger in the same manner as the journal entry that originally opened the books, as has been done in the following examples:

Account 9810 — Estimated Income — Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J2	$641,264.00		$641,264.00	Dr

Account 9710 — Unappropriated Fund Balance — Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J1		$ 94,554.86	$ 94,554.86	Cr
	J2		641,264.00	735,818.86	Cr

Note that in the Unappropriated Fund Balance account, this credit is added to the credit balance resulting from the original opening entry to give a new credit balance of $735,818.86, the total net assets and estimated income available for appropriation.

Posting the subsidiary ledger. The subsidiary ledger, in this case the Income Ledger, is posted from the detailed breakdown shown in the journal entry. Each account is posted to show the amounts carried in the journal entry in the "Estimated income" and "Estimated to be received" columns.

INCOME LEDGER

Account 8811 — District Secured Roll Taxes — Page 6

Date	Reference	Estimated Income	Amounts received	Total received to date	Estimated to be received
7-1-74	J2	$345,888.00			$345,888.00

Each Income Ledger account is similarly posted.

Recording the Approved Budget--Expenditures

Expenditure values, like income values, are taken from the expenditures section of the official budget forms, as follows:

II. EXPENDITURES AND OTHER OUTGO

1000 Certificated Salaries	
1100 Regular Schedule, Teaching	$320,000
1200 Regular Schedule, Nonteaching	55,000
1300 Other Teaching	40,000
1400 Other Nonteaching	19,500
Total Certificated Salaries	$434,500
2000 Classified Salaries	
2100 Classified Service, Noninstruction	3,600
2200 Classified Service, Instructional Aide	12,000
2300 Other Noninstruction	36,000
2400 Other Instructional Aide	7,000
Total Classified Salaries	$ 58,600
3000 Staff Employee Benefits	
3100 State Teachers' Retirement System Annuity Fund	10,000
3200 Public Employees' Retirement Fund	2,000
3300 Old Age, Survivors, Disability, and Health Insurance	1,500
3400 Health and Welfare Benefits	900
3600 Workmen's Compensation Insurance	900
3700 Local Retirement Systems	1,900
Total Employee Benefits	$ 17,200
4000 Books, Supplies, and Equipment Replacement	
4100 Textbooks	2,000
4200 Other Books	500
4300 Instructional Supplies	2,500
4500 Other Supplies	800
4800 Equipment Replacement	6,000
Total Books, Supplies, and Equipment Replacement	$ 11,800
5000 Contracted Services and Other Operating Expenses	
5100 Contracts for Personal Services of Consultants, Lecturers, and Others	500
5200 Travel and Conference and Other Expense Reimbursed	300
5300 Dues and Memberships	200
5400 Insurance	1,000
5500 Utilities and Housekeeping Services	5,000
5600 Contracts, Rents, and Leases	4,500
5700 Legal, Election, and Audit Expenses	500
5800 Other Services and Expense	4,500
5900 Interprogram Charges and Credits for Direct Services	0
Total Contracted Services and Other Operational Expenses	$ 16,500

6000 Capital Outlay	
6100 Sites and Site Improvement	2,500
6200 Buildings	20,000
6300 Books	1,500
6400 Equipment	7,800
6500 Building Improvement	2,500
Total Capital Outlay	$ 34,300
7000 Other Outgo	
7200 Tuition Transfers	30,500
7900 Appropriation for Contingencies	12,000
Total Other Outgo	$ 42,500
T O T A L B U D G E T	$615,400

As with income, each of the expenditure items should be accounted for separately so that expenditure may be controlled within the various budget classifications. This is accomplished by use of a subsidiary ledger usually known as the Appropriation Ledger. While separate accounts should be maintained for each of the required expenditure classifications, additional subdivisions of these classes may be maintained as separate accounts if needed.

Preparing the journal entry. This budgeted expenditure total of $615,400 totals the appropriation to the district's programs; the programs provide a classification of expenditure usage while the objects provide a classification of expenditure source.

This procedure is shown in the following example:

Date	Account		Debit	Credit
7-1-74	9710	Unappropriated Fund Balance	$615,400.00	
	9820	Appropriations		$615,400.00

Subsidiary Appropriation Ledger

1100 Certificated Salaries Regular Schedule Teaching	$320,000
1200 Certificated Salaries Regular Schedule Nonteaching	55,000
1300 Certificated Salaries Other Teaching	40,000
1400 Certificated Salaries Other Nonteaching	19,500
2100 Classified Salaries, Classified Service, Noninstruction	3,600
2200 Classified Salaries, Classified Service, Instructional Aide	12,000
2300 Classified Salaries Other Noninstruction	36,000
2400 Classified Salaries Other Instructional Aide	7,000
3100 State Teachers' Retirement System Annuity Fund	10,000
3200 Public Employees' Retirement Fund	2,000
3300 Old Age, Survivors, Disability, and Health Insurance	1,500

3400 Health and Welfare Benefits	900
3600 Workmen's Compensation Insurance	900
3700 Local Retirement System	1,900
4100 Textbooks	2,000
4200 Other Books	500
4300 Instructional Supplies	2,500
4500 Other Supplies	2,500
4800 Equipment Replacement	6,000
5100 Contracts for Personal Services of Consultants, Lecturers, and Others	500
5200 Travel and Conference and Other Expense Reimbursed	300
5300 Dues and Memberships	200
5400 Insurance	1,000
5500 Utilities and Housekeeping Services	5,000
5600 Contracts, Rents, and Leases	4,500
5700 Legal, Election and Audit Expenses	500
5800 Other Services and Expense	4,500
5900 Interprogram Charges and Credits for Direct Services	0
6100 Sites and Site Improvements	2,500
6200 Buildings	20,000
6300 Books	1,500
6400 Equipment	7,800
6500 Building Improvement	2,500
7200 Tuition Transfers	30,500
7900 Appropriation for Contingencies	12,000

The preceding journal entry is similar to the one recording estimated income except that the total of appropriations is debited to the Unappropriated Fund Balance account. The total appropriations to all accounts in the Appropriation Ledger must agree with the balance in the General Ledger controlling account, Appropriations.

Posting the General Ledger. The journal entry for recording the approved appropriations is posted to the General Ledger in the same manner as the original opening entry and the entry recording estimated income, as has been done in these examples:

Account 9710 Unappropriated Fund Balance Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J1		$ 94,554.86	$ 94,554.86	Cr
	J2		641,264.00	735,818.86	Cr
	J3	$615,400.00		120,418.86	Cr

Account 9820 Appropriations Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J3		$615,400.00	$615,400.00	Cr

The debit to the Unappropriated Fund Balance account has been subtracted from the previous credit balance to produce a new credit balance of $120,418.86, the remaining unappropriated fund balance after the estimated income and budgeted appropriations have been posted.

Posting the Appropriation Ledger. The subsidiary Appropriation Ledger is posted from the journal entry in a manner similar to that used for posting estimated income as shown in this example:

APPROPRIATION LEDGER

Account 1100 Certificated Salaries, Regular, Teaching Page 1

Date	Reference	Appropriation	Encumbrances	Encumbered to date	Expended	Expended to date	Unencumbered balance
7-1-74	J1	$320,000.00					$320,000.00

The preceding form differs from the Income Ledger form because it must carry space for entering encumbrances as they occur, as well as expenditures. The amount appropriated for this account has been entered in the "Appropriation" column and again in the "Unencumbered balance" column. As amounts are later entered in the "Encumbrance" or "Expenditure" columns, the "Unencumbered balance" column will be adjusted accordingly.

When appropriations are allocated to activities or programs, each of the program ledger cards is posted with its respective appropriation. An example of a possible program ledger card is displayed in the illustration on page VI-19.

It should be noted that the appropriation to a program is a collection of portions of single objects of expenditure (such as faculty salaries) that are controlled with the Appropriation Ledger. The program appropriation is the total of all of the direct expenses expected to be incurred on behalf of the program.

Because the Appropriation Ledger controls expenses by objects, it is not essential that expenses also be controlled by program when a district records expenditures by site (or location). Control of program expenses can be delegated to the principals (or site managers) within the limits of fixed object appropriations. For example, if a given school (site) is budgeted $75,000 in instructional supplies, this amount will provide district control on the site on this object. The site may allocate this $75,000 to its several programs, and the district may record these allocations as part of the appropriations to the site's programs. Districts using manual or bookkeeping machine systems need not control the amount of instructional supplies appropriated for a particular program because they will be able to control the total appropriation to the site.

If the district controls only on objects, then the principal or site manager will have to compare the program reports to the program budgets to observe discrepancies in an object of any particular program.

Recording the Approved Budget--Reserves

Reserves are portions of the balance remaining as unappropriated funds that are not available for appropriations, such as amounts in the Revolving Fund, Stores, and Prepaid Expense accounts. A General Reserve account is also required to help finance the district in the year following, prior to receipt of that year's income.

The values to be set aside in these reserves are contained in the official budget, column 2, opposite Ending Balance. These are used to prepare the journal entry, as in this example:

J4:

Date	Account		Debit	Credit
7-1-74	9710	Unappropriated Fund Balance	$120,419.00	
	9610	Reserve for Working Capital		$ 2,072.00
	9630	General Reserve		118,347.00

To record reserves for Working Capital and General Reserve, fiscal year 1974-75, as contained in the approved budget

This journal entry is then posted to the General Ledger in the usual manner:

Account 9710 Unappropriated Fund Balance Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J1		$ 94,554.86	$ 94,554.86	Cr
	J2		641,264.00	735,818.86	Cr
	J3	$615,400.00		120,418.86	Cr
	J4	120,419.00		0.14	Dr

PROGRAM LEDGER

Account: Program A

Appropriation: $32,000.00

Date	Reference	Description	Encumbrances Reserve	Encumbrances Cancelled	Certificated Salaries and benefits	Classified Salaries and benefits	Books, supplies and equipment replacement	Contracted services and other	Capital outlay	Available balance	Direct support charges
7-1-74	J3	Budget Appropriation (may be memorandum only)	(Optional)		$32,700	$4,300	$2,500	$1,500	$1,000	$32,000	$1,600
7-31-74	PJ	July payroll--teachers' salaries			1,800					30,200	

Account 9610		Reserve for Working Capital			Page 1
Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J4		$2,072.00	$2,072.00	Cr

Account 9630		General Reserve			Page 1
Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J4		$118,347.00	$118,347.00	Cr

The amount debited to the Unappropriated Fund Balance account is slightly greater than the previous balance of that account, and this results in a debit balance of 14 cents. Small discrepancies are likely to occur because the district's books are maintained in exact amounts, including cents, while the official budget form is made out to the nearest dollar only.

At this point the General Ledger has been opened, and the official budget has been recorded. A trial balance will show the net results of the entries made thus far. The trial balance is a list of the General Ledger accounts and the debit or credit balance for each account. The total debits and the total credits must be equal, indicating a balanced General Ledger. The trial balance of the General Ledger at this point looks like this:

Account		Debit	Credit
9110	Cash in County Treasury	$ 95,042.67	
9130	Revolving Cash Fund	500.00	
9140	Cash Collections Awaiting Deposit	24.17	
9160	Accounts Receivable	1,597.88	
9170	Due from Other Funds	694.39	
9180	Student Loans Receivable	5,000.00	
9220	Prepaid Expenses	1,572.38	
9510	Accounts Payable		$ 9,763.45
9520	Due to Other Funds		113.18
9610	Reserve for Working Capital		2,072.00
9630	General Reserve		118,347.00
9710	Unappropriated Fund Balance	0.14	
9810	Estimated Income	641,264.00	
9820	Appropriations		615,400.00
		$745,695.63	$745,695.63

The appropriations, having been posted both to the program ledgers and to the subsidiary appropriation ledgers (objects of expenditure), should be checked to assure that the two are equal.

Recording Encumbrances

Effective expenditure control requires not only the recording of cash expenditures and the charging off of assets and prepaid expenses but also the recognizing of expense obligations.

Encumbrance procedures that serve to reserve or restrict portions of the budget appropriations of the district for which definite commitments or contractual obligations have been made may be incorporated into the accounting system of a school district.

The method of determining amounts of encumbrances to be entered into the accounts may vary with the accounting methods used in the district and with the type of transactions being encumbered.

Certificated Payroll Encumbrance Summary

Classification: Name	1100 Month	1100 Year	1200 Month	1200 Year	Totals, 1000
Superintendent					
Bartlett, James			$1,050.00	$12,600.00	$ 12,600.00
Assistant Superintendent					
Garcia, Fred			750.00	9,000.00	9,000.00
Presidents					
Campbell, George			500.00	6,000.00	6,000.00
Harmon, Robert			500.00	6,000.00	6,000.00
Hotzel, Frank			500.00	6,000.00	6,000.00
Lawrence, Charles			500.00	6,000.00	6,000.00
Deans					
Evans, Raymond			450.00	5,400.00	5,400.00
Johnson, Arthur			500.00	6,000.00	6,000.00
Pont, Elizabeth			400.00	4,800.00	4,800.00
Sorenson, Albert			350.00	4,200.00	4,200.00
Wade, Johnson			300.00	3,600.00	3,600.00
Teachers					
Alter, Ruth	$ 350.00	$ 4,200.00			4,200.00
Bennett, Betty	350.00	4,200.00			4,200.00
Curren, Patricia	375.00	4,500.00			4,500.00
Total encumbered	30,000.00	360,000.00	5,800.00	69,600.00	429,600.00
7-15-74					
Bennett, Betty-- resignation	-350.00	-4,200.00			-4,200.00
Totals	29,650.00	355,800.00	5,800.00	69,600.00	425,400.00
7-20-74					
Thompson, Ted	450.00	5,400.00			5,400.00
Totals	$30,100.00	$361,200.00	$5,800.00	$69,600.00	$430,800.00

Because districts may need to distinguish reservations or restrictions of appropriations from actual expenditures, it is recommended that Encumbrances and Reserve for Encumbrances accounts be used in the General Ledger and that encumbrance amounts in the appropriations subsidiary accounts and the program ledgers be recorded in a separate column or in such a manner that they may be distinguished from actual expenditures.

Encumbering programs is optional since objects may be encumbered and controlled. Districts with manual and bookkeeping machine systems that break costs down by sites (or locations) will find encumbering programs rather difficult; whereas districts with data-processing equipment will be able to encumber programs at the same time they encumber their appropriation ledger objects of expenditure.

Encumbering of salaries. At the beginning of each year, the total annual salaries of personnel employed for that year may be determined for purposes of encumbering appropriations for paying these salaries during the year. Similarly, the total monthly salaries of these personnel should be obtained for the purpose of removing that amount of encumbrance when a monthly salary payment is made. Totals of the annual and monthly salaries must be adjusted for personnel changes and salary rate changes.

Although the salary encumbrance summary may differ in detail depending on the methods of accounting used by the district, a schedule such as that illustrated on the Certificated Payroll Encumbrance Summary on page VI-21 may adequately serve this purpose. Basic requirements are a complete accounting for all personnel having salaries to be encumbered, a grouping of these salaries to provide monthly and annual salary totals by budget classifications, and provisions for recording changes in personnel and salaries.

The Certificated Payroll Encumbrance Summary illustrates the adjustment in encumbrance totals that must be recognized when personnel changes occur.

Journal entries to record the salary encumbrance transactions shown in the Certificated Payroll Encumbrance Summary are as follows:

J12:

Date	Account		Debit	Credit
7-1-74	9830	Encumbrances	$375,000.00	
	9620	Reserve for Encumbrances		$375,000.00

Account	Appropriation Ledger	
1100	Certificated Salaries Regular Schedule Teaching	$320,000.00
1200	Certificated Salaries Regular Schedule Nonteaching	55,000.00

To record salary encumbrance for certificated staff employed 7-1-74

J13:

7-15-74	9620	Reserve for Encumbrances	$4,200.00	
	9830	Encumbrances		$4,200.00

		Appropriation Ledger		
1100		Certificated Salaries Regular Schedule Teaching		$4,200.00

To cancel 12 months' salary encumbrance for B. Bennett, resignation, 7-15-74

J14:

7-20-74	9830	Encumbrances	$5,400.00	
	9620	Reserve for Encumbrances		$5,400.00
		Appropriation Ledger		
1100		Certificated Salaries, Regular Schedule Teaching		$5,400.00

To establish salary encumbrance for 12 months' payment of T. Thompson, employed 7-20-74

The posting of the preceding entries to the General Ledger is as follows:

Account 9830 — Encumbrances — Page 4

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J12	$375,000.00		$375,000.00	Dr
7-15-74	J13		$4,200.00	370,800.00	Dr
7-20-74	J14	5,400.00		376,200.00	Dr

Account 9620 — Reserve for Encumbrances

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J12		$375,000.00	$375,000.00	Cr
7-15-74	J13	$4,200.00		370,800.00	Cr
7-20-74	J14		5,400.00	376,200.00	Cr

The posting of the Teachers' Salaries account to the subsidiary Appropriation Ledger is illustrated as follows:

APPROPRIATION LEDGER

Account 1100 — Certificated Salaries Regular Schedule Teaching — Page 5

Date	Reference	Appropriation	Encumbrances	Encumbered to date	Expended	Expended to date	Unencumbered balance
7-1-74	J12	$500,000.00	$375,000.00	$375,000.00			$125,000.00
7-15-74	J13	500,000.00	4,200.00Cr	370,800.00			129,200.00
7-20-74	J14	500,000.00	5,400.00	376,200.00			123,800.00

In the foregoing illustration, it has been assumed that the changes in personnel were made prior to payment of any payroll in that year. It is important, however, that encumbrances be reduced by the unpaid installments of the annual salaries of personnel leaving the payroll and increased for the unpaid installments of personnel being added to the payroll.

Adjustments of encumbrances for salaries paid is discussed in the section, Recording Encumbrance Adjustments--Salaries.

Encumbering of other expenses. Effective expenditure control requires the establishment of a procedure to reserve or restrict appropriations for obligation of nonsalary types of expenses as well as salaries.

If the purchase orders are drawn in order to confirm orders for all materials and services to be purchased by the district, they may be used for encumbrance purposes. A sample of a purchase order is shown on page VI-26.

PURCHASE ORDER No. 2

To: Student Supply Company

Date: July 10, 1974

Ordered by college _____

From: _____

College District Appropriation Ledger Account 4300

Deliver to: 100 Main Street

Received	Quantity	Unit	Item	Unit Price	Amount	Amount Cancelled
65	1,000	Ream	Newsprint	$0.60	$600.00	$41.67
	100	Gross	#2 school pencils	3.00	300.00	
	300	Box	Crayons	0.30	90.00	
					$990.00	

Payment Record:

Date: July 20

Amount: $41.67

The methods of encumbering purchase orders may vary from the direct posting to the Appropriation Ledger subsidiary accounts from the individual purchase orders to some form of summary recording for groups of purchase orders. When a record of the individual purchase orders contained in a summary recording is desired, a Purchase Order Encumbrance Summary such as the one on page VI-27 might be used.

Purchase Order Encumbrance Summary — For July, 1974

Vendor's Name	Appropriation account number	Date	Purchase Order number	Amount of encumbrance
Justrite Roofing Company	4500	10	1	$ 805.63
Student Supply Company	4300	11	2	990.00
L.A. Detergent Company	4500	26	3	50.00
Total				$1,845.63

A journal entry to record the encumbrance information contained in the summary is illustrated as follows:

J15:

Date	Account		Debit	Credit
7-1-74	9830	Encumbrances	$1,845.63	
	9620	Reserve for Encumbrances		$1,845.63

Account	Appropriation Ledger	
4300	Instructional Supplies	$990.00
4500	Other Supplies	855.63

To record Purchase Order Encumbrances for July 1, 1974

The posting of the Other Expenses of Instruction item to the account in the subsidiary Appropriation Ledger is illustrated as follows:

APPROPRIATION LEDGER

Account 4300 — Instructional Supplies — Page 5

Date	Reference	Appropriation	Encumbrances	Encumbered to date	Expended	Expended to date	Unencumbered balance
7-1-74	J15	$5,000.00	$990.00	$990.00			$4,010.00

The instructions for recording encumbrance adjustments in this section outline the procedure used to adjust encumbrances when payments are made involving encumberes purchase orders.

Recording Income and Other Cash Receipts

Source documents for posting income are apportionment notices from the county superintendent of schools for deposits made directly to the county treasury or copies of receipts for monies received directly by the district.

An apportionment notice from the county superintendent of schools is illustrated in the Typical Apportionment Notice on page VI-28.

Each of the items of actual income should be accounted for separately so that they may be compared with income estimates. This is accomplished by posting receipts to the Income Ledger. The total from any given apportionment notice is posted to the General Ledger, and individual items are posted to the subsidiary Income Ledger.

TYPICAL APPORTIONMENT NOTICE

County of _____

To _____ Community College District

This is to certify that income noted below has been received and has been placed to the credit of your district on _____.
(date)

8611	Basic and Equalization Aid	_____
8616	Educationally Handicapped Minors	_____
8622	Transportation, Regular	_____
8670	Tax Relief Subventions	_____
8710	Community College Tuition Tax	_____
8811	District Secured Roll Taxes	_____
8812	District Unsecured Roll Taxes	_____
	Other Income (Describe)	_____

Preparing the journal entry for income deposits made directly in the county treasury. The journal entry to record income receipts lists the General Ledger and subsidiary ledger accounts and the amounts for each as in the following example:

Date	Account		Debit	Credit
7-20-74	9110	Cash in County Treasury	_____	
	9840	Income		_____
	Account	Subsidiary Income Ledger		
	8811	District Secured Roll Taxes		
	8812	District Unsecured Roll Taxes	_____	
	8611	Basic and Equalization Aid	_____	
			_____	

To record income received on apportionment notice dated 7-20-74

The journal entry is posted to the General Ledger in the usual manner.

The subsidiary Income Ledger is posted from the journal entry in a manner similar to that used for posting estimated income. Each account is posted to show, in the amounts received portion, the amount of the ledgers that has been carried in the journal entry, as has been done in the following example:

INCOME LEDGER

Account 8811 — District Secured Roll Taxes — Page 6

Date	Reference	Estimated Income	Amounts Received	Total received to date	Estimated to be received
7-1-74	J2	$345,888.00			$345,888.00
7-20-74	J_		____	_____	

INCOME LEDGER

Account 8812 — District Unsecured Roll Taxes — Page 1

Date	Reference	Estimated Income	Amounts Received	Total received to date	Estimated to be received
7-1-74	J2	$2,700.00			$2,700.00
7-20-74	J_				

INCOME LEDGER

Account 8611 — Basic and Equalization Aid — Page 1

Date	Reference	Estimated Income	Amounts Received	Total received to date	Estimated to be received
7-1-74	J2	$277,528.00			$277,528.00

A summary of receipts issued for cash received directly by the school district serves as the basis for preparing the journal entry to record this type of income and other cash receipts. Abatements of expenditures are treated in Part III of this manual. If this summary is a formal record, it might look like this example of a Cash Received Journal:

Cash Received Journal — Month of July, 1974

Date	Description	Received	Current Income Acct.	Current Income Amt.	Abatements of expenditures Acct.	Abatements of expenditures Amt.	General Ledger Acct.	General Ledger Amt.
7-3-74	Receipts		8110		5800			
	Nos. 6801-6815		8842					
			8850					
					4300			
					4300			
					4300			
			8800					
	Totals							

Preparing the journal entry to record cash received directly by the district. The journal entry to record actual income and other cash receipts received directly by the school district lists the General Ledger and subsidiary ledger accounts and the amounts for each. For example:

Date	Account		Debit	Credit
7-31-74	9110	Cash in County Treasury		
	9840	Income		
	9850	Expenditures		

Account	Subsidiary Income Ledger	
8110	Maintenance and Operation (Public Law 81-874)	
8842	Sale of Equipment and Supplies	
8850	Rentals	

8871	Adult Education Fees		
8880	Miscellaneous		
	Subsidiary Appropriation Ledger		
4300	Instructional Supplies		
4900	Other Operating Expenses		

To record receipts numbers 6801-6815

The General Ledger is posted in the usual manner. The subsidiary income ledger is posted in the same manner as that illustrated under income deposits made directly in the county treasury.

The subsidiary Appropriation Ledger is posted in the same manner as that shown under expenditures, as in the following example:

APPROPRIATION LEDGER

Account 4300 Instructional Supplies Page 2

Date	Reference	Encumbrances	Liquidations	Expended	Outstanding encumbrances	Expended to date	Budget	Unencumbered balance
7-31-34								

Recording Expenditures and Other Disbursements--Salaries

Salary expenditures are generally more efficiently posted by total from the payroll payment order, or similarly titled listing, which is an itemized, detailed list of individual salaries for a particular payroll. A summary of accounts to be charged to the various expenditure classifications is needed for this procedure (see California Community Colleges District Payroll Payment Order, page VI-32).

Very rarely, such as when accounting salaries for a one- or two-teacher school, individual salaries paid might be entered directly in the General Journal.

Preparing the journal entry. The journal entry to record payroll payments lists the General Ledger and subsidiary ledger accounts and the amounts for each, as in the following example:

Date	Account		Debit	Credit
7-31-74	9850	Expenditures	$40,275.00	
	9110	Cash in County Treasury		$40,275.00

Account	Appropriation Ledger	
1100	Certificated Salaries Regular Schedule Teaching	$30,000.00
1200	Certificated Salaries Regular Schedule Nonteaching	3,600.00
1300	Certificated Salaries Other Teaching	2,000.00
1400	Certificated Salaries Other Nonteaching	925.00
2100	Classified Salaries, Classified Service, Non-instruction	250.00
2300	Classified Salaries, Other Non-instruction	2,850.00
2400	Classified Salaries, Other, Instructional Aides	650.00

To record expenditures for payroll listing number 1 for the month of July

Posting the General Ledger. The journal entry for payroll expenditures is posted to the General Ledger in the same manner as previous entries, as in the following example:

Account 9850 Expenditures Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-31-74	J8	$40,275.00		$40,275.00	Dr

Account 9110 Cash in County Treasury Page 1

Date	Reference	Debit	Credit	Balance	Dr/Cr
7-1-74	J1	$100,042.67		$100,042.67	Dr
7-31-74	J8		$40,275.00	59,767.67	Cr

Note that the posting the the cash account is a credit entry that deducts from the previous balance to give a new debit balance of $59,767.67

CALIFORNIA COMMUNITY COLLEGE DISTRICT PAYROLL PAYMENT ORDER

Rev. 4/76

Employee Name	Warrant number	Occupation or title	Expenditure classification	Period ending	Gross earnings	Social Security	Retirement	With holding tax	Other	Net Pay
Abbot, Ellen	2200	Teacher	1100	7-31-74	$500.00		$40.00	$80.00	$21.00	$359.00
Adams, George	2201	Custodian	2300		350.00	$ 9.00	21.00	18.00	12.00	290.00
Allen, Rose	2202	Teacher	1100		475.00		35.00	68.00	16.50	355.50
Arnold, Robert	2203	Teacher	1100		550.00		48.00	60.00	25.00	417.00
Ashworth, James	2204	Assistant Supt.	1200		900.00		70.00	150.00	28.00	652.00
Bailey, John	2205	Teacher	1100		580.00		50.00	75.00	22.50	432.50
Banner, Roger	2206	Principal	1200		750.00		62.00	90.00	26.00	572.00
Boyd, Alice	2207	Secretary	2300		300.00	7.50	16.00	21.00	12.00	243.50
Brown, Thomas	2208	Teacher	1100		530.00		45.00	61.00	18.00	406.00
Carter, Mabel	2209	Teacher	1100		500.00		42.00	65.00	24.00	369.00
Cross, Arthur	2210	Custodian	2300		375.00	10.00	22.50	12.00	18.50	312.00
Curran, Jane	2211	Teacher	1100		475.00		38.50	60.00	21.00	355.50
Totals				7-31-74	$6,285.00	$26.50	$490.00	$760.00	$244.50	$4,764.00
Expenditure Classification Summary:			1100	7-31-74	3,610.00					
			1200		1,650.00					
			2300		1,025.00					
					$6,285.00					

Posting the Appropriation Ledger. Entries in the subsidiary Appropriation Ledger are made in the expenditure column in each case, as shown in the following example:

APPROPRIATION LEDGER

Account 1110 Teachers' Salaries Page 1

Date	Reference	Appropriation	Encumbrances	Encumbered to date	Expended	Extended to date	Unencumbered balance
7-1-74	J3	$320,000.00					$320,000.00
	J5	320,000.00	$320,000.00	$320,000.00	$32,000.00		0.00
7-31-74	J8	320,000.00		$320,000.00		$32,000.00	32,000.00Cr

In normal procedures the liquidation of an amount corresponding to the payment takes place simultaneously with this posting. The liquidating entry is described in the section headed Recording Encumbrance Adjustments--Salaries, following. For purposes of explanation, this account will be carried this way until the liquidating entry is posted.

Note that the "Appropriation," "Encumbered-to-date," and "Expended-to-date" columns are carried forward with each posting.

Entries in the program ledger are posted by object classification in the appropriate columns in the program ledgers, then subtotaled on the object of expenditure card in the Appropriation Ledger.

The total posting to the program ledgers for the object classification (teachers' salaries) will amount to $32,000, which can be subtotaled in the Appropriation Ledger (see sample program ledger, page VI-16).

RECORDING EXPENDITURES AND OTHER DISBURSEMENTS--OTHER

Payments to vendors are usually made at regular intervals, monthly or oftener, and listed on a warrant register that can be used as the source to enter the total expenditure. Like the payroll charges, the amounts to be charged to the various expenditure classifications will need to be summarized (see California School District Warrant Register Number 1 on page VI-32).

Other expenditures, such as a district's retirement payments, repayments on loans, and the like, which are disbursed at the county level, may be entered individually as reports are received from the office of county superintendent of schools. Expenditure transfers between funds of a district require a similar entry. It is possible to include all such items in one listing and to enter the total in the General Journal with a summary of amounts to be charged to the various expenditure classes. In either procedure, reference to the original report or notice should be made, and such documents should be kept readily available.

Preparing the journal entry. The journal entry to record vendor payments or other expenditure items lists the General Ledger and subsidiary ledger accounts and the amounts for each. This journal entry is posted to the General Ledger and the Appropriation Ledger as illustrated in the entries that follow:

Date	Account		Debit	Credit
7-31-74	9850	Expenditures	$6,245.00	
	9840	Income	500.00	
	9100	Cash		$6,745.00

Account	Appropriation Ledger	
4100	Textbooks	$ 350.00
4300	Instructional Supplies	475.00
4500	Other Supplies	1,620.00
5500	Utilities & Houskeeping Services	1,300.00
6200	Buildings	2,500.00
	Income Ledger	
8110	Maintenance & Operation (Public Law 81-874).....	500.00

To record expenditures for Warrant Register number 1 for the month of July

CALIFORNIA COMMUNITY COLLEGE DISTRICT

Warrant Register Number 1 Date: July 31, 1974

Warrant Number	Vendor	Expenditure Classification	Amount
1	Aldrich & Aldrich, Inc.....	4300	$ 48.06
2	American Book Company.....	4100	350.00
3	Best Music Company.....	4300	210.00
4	E. P. Finigan Company.....	6200	2,500.00
5	Office Supply Company.....	4500	65.00
6	Pacific Gas & Electric Company.....	5500	700.00
7	Pacific Telephone & Telegraph Co.....	5500	600.00
8	Read's Fence Company.....	4500	875.00
9	Sun Custodial Supplies.....	4500	680.00
10	Taylor's School Supplies.....	4300	216.94
11	U. S. Treasury (Abatement of income) 8110.....		500.00
	Total.....		$6,745.00

	Expenditure Classification Summary:		
4100	Textbooks.....	$ 350.00	
4300	Instructional Supplies.....	475.00	
4500	Other Supplies.....	1,620.00	
5500	Utilities & Houskeeping Services...	1,300.00	
6200	Buildings.....	2,500.00	
			$6,245.00

	Income Classification Summary:		
8110	Maintenance & Operation (Public Law 81-874) abatement.....	500.00	
			500.00
			$6,745.00

Posting the Income Ledger. This posting to the subsidiary Income Ledger is an example of an abatement of income.

INCOME LEDGER

Account 8110 Maintenance and Operation (PL 81-874) Page 1

Date	Reference	Estimated Income	Amounts Received	Total Received to date	Estimated to be received
7-1-74	J1	$2,500.00			$2,500.00
	J_	2,500.00	$2,400.00	$2,400.00	100.00
7-31-74	J_	2,500.00	500.00Cr	1,900.00	600.00

RECORDING ENCUMBRANCE ADJUSTMENTS--SALARIES

The amount of encumbrances to be adjusted or liquidated when salary payments are made in the same amount as is being paid, provided such amounts have been encumbered. This procedure will leave the proper balance of encumbrance for each succeeding month if there is no change in rate of pay.

Further adjustment is necessary for changes of contract, terminations, and the like. It is generally preferable to liquidate the exact amount of the payroll posting and to pick up additional adjustments in a separate posting from a list of changes. For example, a payroll expenditure of $40,275 represents the regular monthly payroll for salaries encumbered for the year. However, because one employee terminated in July and received less than a full month's salary, the difference between the individual amount encumbered, $300, and the amount paid and liquidated, $200, represents a cancellation of $100 to encumbrances for July in addition to the encumbrance for the rest of the year, $3,300, or a total cancellation of encumbrances in the amount of $3,400. The person replacing this employee was paid $50 in July and will be paid $2,750 for the rest of the year. This is an additional total encumbrance of $2,800. The net adjustment to encumbrances is a reduction of $600. The Certificated Payroll Encumbrance Summary illustrated in this section (see page VI-23) provides for a method of adjusting salary encumbrances.

The use of some machine systems makes it more practical to liquidate all encumbrances for salaries at the time payroll expenditures are posted and to reencumber the adjusted amounts for the remainder of the year.

Preparing the journal entry. The journal entry to record encumbrance adjustments lists the General Ledger and subsidiary ledger accounts and the amounts for each, as shown in the following example:

Date	Account		Debit	Credit
7-31-74	9620	Reserve for Encumbrances	$40,275.00	
	9620	Reserve for Encumbrances	600.00	
	9830	Encumbrances		$40,275.00
	9830	Encumbrances		600.00

Appropriation Ledger

1100	Certificated Salaries Regular Schedule Teaching	$32,000.00
1200	Certificated Salaries Regular Schedule Nonteaching	1,600.00
1300	Certificated Salaries Other Teaching	2,000.00
1400	Certificated Salaries Other Nonteaching	925.00
2100	Classified Salaries, Classified Service Noninstruction	600.00
2200	Classified Salaries, Classified Service, Instructional Aide	250.00
2300	Classified Salaries Other Noninstruction	2,850.00
2400	Classified Salaries Other Instructional Aide	650.00

To record salary encumbrance liquidations and adjustments for the month of July

Posting the General Ledger. The journal entry for salary encumbrance liquidations and adjustments is posted to the General Ledger as usual.

Posting the Appropriation Ledger. Entries in the subsidiary Appropriation Ledger are made in the "Encumbrances" column in the following example:

APPROPRIATION LEDGER

Account 1100 Certificated Salaries Regular Schedule Teaching Page 1

Date	Reference	Appropriation	Encumbrances	Encumbered to date	Expended	Expended to date	Unencumbered balance
7-1-74	J3	$320,000.00					$320,000.00
	J5	320,000.00	$320,000.00	$320,000.00			0.00
7-31-74	J8	320,000.00		320,000.00	$32,000.00	$32,000.00	32,000.00Cr
	J10	320,000.00	-32,000.00	288,000.00		32,000.00	0.00

APPROPRIATION LEDGER

Account 2100 Classified Salaries, Classified Service, Noninstruction Page 1

Date	Reference	Appropriation	Encumbrances	Encumbered to date	Expended	Expended to date	Unencumbered balance
7-1-74	J3	$3,600.00					$3,600.00
	J5	3,600.00	$3,600.00	$3,600.00			0.00
7-31-74	J8	3,600.00		3,600.00	$250.00	$250.00	250.00Cr
	J10	3,600.00	-250.00	3,350.00		250.00	0.00
	J10	3,600.00	-600.00	2,750.00		250.00	600.00

The control account, Encumbrances, in the General Ledger can be proved by adding the totals of the "Encumbered-to-date" column in each of the subsidiary Appropriation Ledger accounts.

RECORDING ENCUMBRANCE ADJUSTMENTS--OTHER THAN SALARIES

The amount of encumbrance to be adjusted or liquidated when vendor payments or other expenditures are recorded is the amount originally encumbered for the specific items. Thus, if a purchase order was originally encumbered for $100 but the actual payment was $99.50, the original $100 encumbrance is liquidated. Partial payments on an order are liquidated in the same amount as originally encumbered for items being paid, and the balance of encumbrance is liquidated when the final payment is made.

Depending on the encumbrance method being used, the adjustments or liquidations are posted either directly from the purchase order as illustrated on page VI-26 or from a Purchase Order Liquidation Summary listing the purchase orders being paid. The same form can be used as that shown for the Purchase Order Encumbrance Summary on page VI-27. The warrant register form shown on page VI-34 might also be used to indicate liquidations of encumbrances by adding columns for purchase order number, amount encumbered, and encumbrance classification.

Here again, it is true that with some machine systems it is more practical to liquidate all encumbrances and to reencumber those that are outstanding after the paid items have been deleted. If an encumbrance amount is cancelled or changed because items ordered are unavailable or prices are changed, the adjustment is recorded in the same manner as the routine liquidations following payments.

Preparing the journal entry. The journal entry to record encumbrance adjustments lists the General Ledger and subsidiary ledger accounts and the amounts for each, as shown in the following example:

Date	Account		Debit	Credit
7-31-74	9620	Reserve for Encumbrances	$6,245.00	
	9830	Encumbrances		$6,245.00

Appropriation Ledger

4100	Textbooks	$ 350.00
4300	Instructional Supplies	475.00
4500	Other Supplies	1,620.00
5500	Utilities & Housekeeping Services	1,300.00
6200	Buildings and Improvement of Buildings	2,500.00

To record encumbrance liquidations (other than salaries) for the month of July

The journal entry for encumbrance liquidations (other) is posted to the General Ledger in the usual manner.

Posting the Appropriation Ledger. Entries in the subsidiary Appropriation Ledger are made in the Encumbrances column, as shown in the following example:

APPROPRIATION LEDGER

Account 4300 Instructional Supplies Page 1

Date	Reference	Appropriation	Encumbrance	Encumbered to date	Expended	Expended to date	Unencumbered balance
7-1-74	J3	$2,500.00					$2,500.00
	J6	2,500.00	$750.00	$750.00			1,750.00
7-31-74	J9	2,500.00		750.00	$475.00	$475.00	1,275.00
	J11	2,500.00	-475.00	275.00		475.00	1,750.00

RECORDING OTHER ADJUSTMENTS

Changes, or adjustments, must often be made to entries recorded in the General Ledger and subsidiary ledgers. Some of the more common adjustments are cited in the following paragraphs.

Recording adjustments to estimated income. When information is received that income will exceed the original estimate in the official budget, a new estimate of income is made, and the increase is recorded in the General Ledger and the Income Ledger. The increase in estimated income is recorded as follows:

Date	Account		Debit	Credit
5-31-75	9810	Estimated Income	$1,100.00	
	9710	Unappropriated Fund Balance		$1,100.00

Income Ledger
8611 Basic and Equalization Aid..... $1,100.00Dr

To record revised estimate of a state apportionment

This entry increases the estimated income in the General Ledger and in the Income Ledger. It also increases the amount available for appropriation as indicated by a credit balance in the Unappropriated Fund Balance account. (Note that the entry simply records the amount available for appropriation. Actual appropriation may be made by governing board action only, as prescribed in EC 21001 and 20953).

When a revised income estimate indicates a decrease in amount of estimated receipts, the decrease is recorded in a similar manner, as follows:

Date	Account		Debit	Credit
5-31-75	9710	Unappropriated Fund Balance	$1,100.00	
	9810	Estimated Income		$1,100.00

Income Ledger
8611 Basic [illegible] Equalization Aid..... $1,100.00Cr

To record revised estimate of basic and equalization aid

Note that when this entry is posted to the General Ledger, a debit balance in the Unappropriated Fund Balance account usually results. A debit balance indicates that appropriations exceed available resources and is a warning that expenditures must be controlled so that this amount remains as unexpended appropriations at the end of the fiscal year.

Recording adjustments to appropriations. Except when a revised appropriation budget has been adopted, adjustments involving changes in current appropriations will have no net effect on the General Ledger balances. The changes will affect only the Appropriation Ledger, because the total amount appropriated is not changed but is simply redistributed among the appropriations accounts:

Date	Account		Debit	Credit
10-30-74	9820	Appropriations	$500.00	
	9820	Appropriations		$500.00

Appropriations Ledger

6400 Equipment.....	$500.00Dr	
4800 Equipment Replacement.....	500.00Cr	

To record appropriation transfers adopted 10-30-74

Recording adjustments to expenditures. When information shows that an amount already recorded as an expenditure should be charged to some other expenditure account, the adjustment is made without net effect on the General Ledger. The expenditures portion of the Appropriation Ledger will reflect the change, as in the following examples:

Date	Account		Debit	Credit
11-16-74	9850	Expenditures	$25.00	
	9850	Expenditures		$25.00

Appropriation Ledger

4100 Textbooks.....	$25.00Dr	
4200 Other Books.....	25.00Cr	

To record correction of expenditures classification coding on warrant number 12345, 10-15-74

Date	Account		Debit	Credit
11-30-74	9850	Expenditures	$200.00	
	9850	Expenditures		$200.00

Appropriation Ledger

1100 Certificate Salaries Regular Schedule Teaching.....	$200.00Dr	
1200 Certificate Salaries Regular Schedule Nonteaching..	200.00Cr	

To record portion of J. D. Smith's November salary as Teacher's Salaries because he substituted for A. B. Clark

Recording adjustments to stores. Adjusting entries resulting from a stores operation are shown in the next example. When a physical inventory reveals a stores overage or shortage, the amount must be recorded in the records. The usual practice is to adjust the Stores--Inventory and the Stores--Overhead accounts.

Date	Account		Debit	Credit
11-25-74	9210	Stores--Inventory	$75.00	
	9210	Stores--Overhead		$75.00

To record stores average per inventory of 11-15-74

An inventory shortage is reflected by similar entry, except that the debit and credit entries are reversed.

Periodically, the Stores--Overhead account is cleared of its charges. This must be done at least once a year to assure that the year-end balance in the overall Stores account represents only material on hand in the warehouse and available for issue.

Clearing the Stores--Overhead account requires an entry to distribute the balance of this account to the various expenditure accounts. One of several methods may be used for determining this distribution. Regardless of the method used, the entry is made as shown in the following example:

Date	Account		Debit	Credit
6-30-75	9850	Expenditures	$1,500.00	
	9210	Stores--Overhead		$1,500.00

Appropriation Ledger

4300	Instructional Supplies.....	$1,000.00Dr
4500	Other Supplies.....	500.00Dr

To distribute warehouse overhead expense for the fiscal year

CLOSING THE GENERAL LEDGER

The closing entries fall into two categories. The first category is the adjusting or the accrual of certain balance sheet accounts. The second category is the closing of all budgetary and operating accounts.

Determining the adjusting entries. Adjustments of prior year accruals may become necessary because of errors in estimating the amount to be accrued or changes resulting from information available at a later date.

There are two methods of handling prior year accruals. Under the first method adjustments are automatically recorded in the books. Under the second method adjustments are made during the year as additional information becomes available, not at year-end.

The following is taken from the general instructions, Annual Financial Report:

Method 1: The amount of variance between prior year estimates of Accounts Receivable and Current Liabilities and the actual transactions of this year must be used either to increase or to decrease the current year's income and expenditures. If the actual amounts fall short of estimates, the same accounts of the current year should be reduced as were increased in the prior year. If the actual amounts exceed estimates, the excess should be added to the most appropriate current year account. This should in no way reduce the determination of the estimates of Accounts Receivable and Current Liabilities at the close of a year as shown on Forms CCAF-303 and CCAF-304 respectively.

Method 2: Follow the procedure used in prior years by not making the adjustment to the specific current year accounts.

First method. A reversing entry of the original accrual is made on July 1 of the following year. For example, a reversing entry closes the balance in the current liability account and places a credit in the expenditure account. When the liability is paid, the debit is made to the expenditure account in the same manner as any normal expenditure.

At year-end, amounts of income or transfers from other districts due and not yet received are determined and recorded in the current fiscal year. However, monies due from tax delinquencies are not included, because tax income is recorded on a cash basis. Only those amounts that can be reasonably determined are recorded. The amount recorded as Accounts Receivable must agree with the report filed with the county superintendent of schools.

Those amounts that are due and receivable from other funds of the district are recorded as Due from Other Funds rather than as Accounts Receivable.

Accounts Payable or Current Liabilities are amounts due but unpaid at year-end for goods and services received during the year. The amounts set up as current liabilities must agree with the report sent to the county superintendent of schools.

Those liabilities that are due and payable to other funds of a district are recorded as Due to Other Funds, rather than Current Liabilities.

If the district maintains a Stores account, refer to Part V of this manual for information.

If the proration for prepaid expense items is made at the time of the expenditure, no further action is necessary at year-end. The prepaid expense proration schedules should be checked at this time. If there is an error to be corrected or an adjustment to be made, the debit or credit will be made to the Prepaid Expense account and the offset to the appropriate expenditure account.

The Reserve for Working Capital account is adjusted to reflect the net increase or decrease during the year.

The total amount of the General Reserve account is closed to Unappropriated Fund Balance, the total amount in the Income and Estimated Income accounts are closed to Unappropriated Fund Balance, and the total amounts in the Appropriations and Expenditures accounts are closed to Unappropriated Fund Balance.

Preparing the adjusting journal entries. Under method one the adjusting entries are made as follows:

Date	Account		Debit	Credit
6-30-75	9580	Expenditures	____	
	9510	Accounts Payable		____

Subsidiary Expenditures Ledger
4300 Instructional Supplies..... ____

To record liabilities for goods and services received

NOTE: This records accrued liabilities at the end of fiscal year 1973-74.

Date	Account		Debit	Credit
7-1-75	9510	Accounts Payable	____	
	9580	Expenditures		____

Subsidiary Expenditures Ledger
4300 Instructional Supplies..... ____

To reverse accrual of prior year liabilities

NOTE: This entry reverses the prior year accrual at the beginning of fiscal year 1975-76.

Second method. The original accrual is left on the books until the cash receipt or disbursement is recorded. At this time any necessary adjustment should be made. Under method two the adjusting entries are made as follows:

Date	Account		Debit	Credit
6-30-75	9580	Expenditures	____	
	9510	Accounts Payable		____

To record liabilities for goods and services received

Date	Account		Debit	Credit
7-31-75	9510	Accounts Payable	____	
	9110	Cash in County Treasury		____

To record payment of liabilities

Note that as soon as it is believed that all prior year liabilities have been paid, the net difference between the total of the actual payments and the total of the liabilities entered before the close of the preceding fiscal year and brought forward as a balance in the Current Liabilities account should be the basis for an entry to close such balance to Unappropriated Fund Balance.

The following entries illustrate the recording of year-end accrued income expenditures and abatements. Neither of these entries has any effect on the cash account. These accounts are cleared in the following year by one of the two methods previously described.

Date	Account		Debit	Credit
6-30-75	9160	Accounts Receivable	____	
	9840	Income		____
	9850	Expenditures		____

Subsidiary Income Ledger
8880 "Miscellaneous Income Funds"..... ____

Subsidiary Expenditures Ledger
4500 Other Supplies..... ____

To record uncollected fees and abatements

Date	Account		Debit	Credit
6-30-75	9840	Income	_____	
	9850	Expenditures	_____	
	9510	Accounts Payable		_____

Subsidiary Income Ledger

8850	Rental Income.....	_____

Subsidiary Expenditures Ledger

4500	Other Supplies.....	_____
4200	Other Books.....	_____
4300	Instructional Supplies.....	_____

To record liabilities for goods and services received and abatements of income

When accounts are closed, the General Journal entries are made as illustrated in the following examples:

TO CLOSE THE GENERAL RESERVE ACCOUNT

Date	Account		Debit	Credit
6-30-75	9630	General Reserve	_____	
	9710	Unappropriated Fund Balance		_____

To close the General Reserve account

TO CLOSE ESTIMATED INCOME AND INCOME

Date	Account		Debit	Credit
6-30-75	9840	Income	_____	
	9710	Unappropriated Fund Balance		_____
	9810	Estimated Income		_____

Subsidiary Income Ledger

8110	Maintenance and Operation (PL 81-874).....	_____
8210	National Defense Education Act (PL 85-864).....	_____
8611	Basic Aid and Equalization Aid.....	_____
8616	Educationally Handicapped Minors.....	_____
8622	Transportation, Regular.....	_____
8811	District Secured Roll Taxes.....	_____
8812	District Unsecured Roll Taxes.....	_____
8880	"Miscellaneous Funds".....	_____
8920	Tuition Transfers.....	_____

To close Estimated Income and Income to Unappropriated Fund Balance

TO CLOSE APPROPRIATIONS AND EXPENDITURES

Date	Account		Debit	Credit
6-30-75	9820	Appropriations		
	9850	Expenditures		
	9710	Unappropriated Fund Balance		

Subsidiary Expenditures Ledger

1100	Certificated Salaries, Regular Schedule Teaching	$320,000
1200	Certificated Salaries, Regular Schedule Nonteaching	55,000
1300	Certificated Salaries, Other Teaching	40,000
1400	Certificated Salaries, Other Nonteaching	19,500
2100	Classified Salaries, Classified Service, Noninstruction	4,100
2200	Classified Salaries, Classified Service, Instructional Aide	12,000
2300	Classified Salaries, Other Noninstruction	36,000
2400	Classified Salaries, Other Instructional Aide	7,000
3100	State Teachers' Retirement System Annuity Fund	10,000
3200	Public Employees' Retirement Fund	2,000
3300	Old Age, Survivors, Disability, and Health Insurance	1,500
3400	Health and Welfare Benefits	900
3600	Workman's Compensation Insurance	900
3700	Local Retirement Systems	1,900
4100	Textbooks	2,000
4200	Other Books	500
4300	Instructional Supplies	2,500
4500	Other Supplies	800
4800	Equipment Replacement	6,000
5100	Contracts for Personal Services of Consultants, Lecturers, and Others	500
5200	Travel and Conference and Other Expense Reimbursements	300
5300	Dues and Memberships	200
5400	Insurance	1,000
5500	Utilities and Housekeeping Services	5,000
5600	Contracts, Rents, and Leases	4,500
5700	Legal, Election, and Audit Expenses	500
5800	Other Services and Expense	4,500
5900	Interprogram Charges and Credits	0
6100	Sites and Site Improvement	2,500
6200	Buildings	22,500
6300	Books	1,500
6400	Equipment	7,800
7200	Tuition Transfers	30,500

PREPAID EXPENSES

Cash is often disbursed by school districts for services or materials, a portion or all of which actually applies to a future fiscal period other than that in which cash disbursement is made. The most common such disbursement is for instance, full premium of which is paid immediately, the coverage of which extends into school years. Were the entire premium charged to the year in which the

premium is paid, expenses for such a year would be overstated, and a comparison with years in which such premium was not paid would become invalid. For the purpose, therefore, of including expenditures in the year that the services or materials were received, it becomes necessary to accrue as an asset the amount of cash disbursed for an item allocated to a future year.

When the cash disbursement for an item as discussed above is made, it is necessary to credit the cash account for the full amount of the disbursement. The debit must be split to two accounts, that portion which applies to the current school year being charged to current year expense appropriate to the item, and the remaining portion applicable to a future year charged to the asset account entitled Prepaid Expenses, as in the following example:

General Ledger

Date	Account		Debit	Credit
7-15-74	9850	Expenditures	$100.00	
	9220	Prepaid Expenses	400.00	
	9110	Cash in County Treasury		$500.00

To record payment of a five-year insurance policy, one year of which applies to the current year

Appropriation Ledger

Date	Account		Debit	Credit
7-15-74	5400	Insurance	$100.00	

To record payment of a five-year insurance policy, one year of which applies to the current year

At the end of the school year when the books are closed, the asset account, Prepaid Expenses, is included with other ending balances and becomes a part of the beginning balance for the next school year.

After the books are opened for the next school year, it is necessary to determine whether all or a portion of Prepaid Expenses applies to the current year. This amount must be charged to the appropriate expense account of the new year, leaving as a remainder in the asset account any amounts not yet applicable. These, in turn, must be carried over as Prepaid Expenses to the next school year. To facilitate determination of the amount to charge to a year other than that in which the original cash disbursement was made, it is good practice to prepare a schedule of amounts and periods applicable at the time when the original cash disbursement is made, as shown in the following example:

PREPAID EXPENSES SCHEDULE

				Analysis of total applying to each succeeding year				
Date	Policy Number	Carrier	Overall Total	First Year	Second Year	Third Year	Fourth Year	Fifth Year
7-15-75			$400.00	$100.00	$100.00	$100.00	$100.00	

This schedule is retained for reference at the time of a future year charge-off to ensure that the correct amounts are charged to each succeeding year in which a benefit is received. The preceding schedule would be updated at the beginning of each school year by reducing the control total by the amount of the first year succeeding, which is charged to expense, and by moving each figure in the next several columns one column to the left.

To charge off the portion applicable to a new year at the beginning of that year, a journal entry is made, with the debit to the appropriate expenditures account and the credit to Prepaid Expenses. This should be one of the first entries.

ACCOUNTING FOR STORES

For those school districts that maintain central stores of materials, it would be inappropriate to charge the amount of cash disbursed for stores as an expense for any given year. Instead, it is necessary to charge as expense only the value of the stores issued during such year. The value of stores paid for but not issued must be accrued as an asset to become a part of the ending balance at the close of the school year. The same amount in turn becomes a part of the beginning balance of the new year when the books for the new year are opened.

Unless a Stores Revolving Fund has been established in accordance with provisions in the Education Code, payments for stores are made from the General Fund, with the debit to stock purchases within the Stores account and the credit to Cash, as in the next example:

Journal Entry

Date	Account		Debit	Credit
9-11-74	9210	Stores, purchases for stock	$55.10	
	9110	Cash in County Treasury		$55.10

To record supplies purchased for stock

When stock is issued, an entry must be made crediting stock purchases within the Stores account and debiting the appropriate expense account. This may be done by posting detailed requisitions to a special journal, the accumulated total of which is posted to the General Ledger at monthly intervals. Such posting is shown in the following examples:

Stock Issued Ledger

Date	Requisition Number	School	Account	
9-7-74	12501	Roosevelt	4300 Instructional Supplies.....	$ 2.72
9-9-74	332	Garfield	4500 Other Supplies.....	7.66
9-10-74	2661	Washington	4500 Other Supplies.....	12.01
9-27-74	32	Wilson	4300 Instructional Supplies.....	19.43

Monthly Journal Entry

Date	Stock Issued Ledger	Debit	Credit
9-30-74	4300 Instructional Supplies	$22.15	
	4500 Other Supplies	19.67	
	9210 Stores, withdrawals from stock		$41.82

To record withdrawals of stores for the month of September, 1973

Store Ledger

Date	Overhead reimbursed	Overhead expense	Stock purchases	Stock withdrawals	Total stores
9-11-74			$55.10		$55.10
9-30-74				$41.82	13.28

In the event that a Stores Revolving Fund has been established, a warrant must be drawn on the General Fund payable to the Revolving Fund in the amount of the total withdrawals in lieu of the journal entry just given; but the accounts are otherwise the same.

To extend the value of stock issues, the most common practice is to compute an average price each time new stock is received and to use this average price for extending all requisitions prior to the next receipt. The data necessary to compute an average price is accumulated by maintaining perpetual stock records for each item carried in the warehouse. Part V of this manual contains detailed information about methods of maintaining perpetual stock records.

Certain expenses, other than the disbursement of cash for stock, are usually incurred in the operation of a warehouse. Examples of such expenses are the salaries of warehousemen or deliverymen, utilities, rented space, and vehicles. If stores are accounted for in the General Fund, these other expenses may be distributed directly to the appropriate expenditure accounts or charged to overhead expense. If a Revolving Stores Fund has been established, these other expenses would be charged to overhead expense within the Stores account in the revolving fund rather than in the General Fund. Eventually it will be necessary to prorate these expenses to the appropriate expense accounts; using the distribution charges as a basis for stock withdrawals, prorations may be made either as issues are made or at the end of the year.

One method of distributing overhead incurred in operating a stores warehouse is to add to the average cost of each item requisitioned a fixed percent (overhead) that is sufficient to cover all operation expenses. This method of distributing overhead allows the total warehouse operating costs to be distributed to applicable expenditure accounts by the end of the year. Any surplus or deficit in the net total of the two remaining overhead accounts is then prorated and distributed among the liable expenditure accounts.

If the overhead is not distributed along with the stock issues, then some means of eventual distribution of overhead must be maintained. This may be done by keeping a running analysis of withdrawals by classification of the expenditure

accounts to which the charges are being made. The totals are converted to percents of the total withdrawals at year's end, and the total overhead expense incurred in operating the stores warehouse is distributed to expenditure accounts on the basis of these percents. When a constant percent is added to issues in accounting for the above entries, the debit of the total amount including the percent for overhead, is charged to the appropriate expenditure account. The credit, however, must be split between actual value of the items of stock withdrawals computed at the latest average price and the amount that was obtained by extending that value by the constant percent to cover overhead reimbursed to the Stores account. For this purpose an overhead reimbursed account should be maintained within the Stores account. At the end of the year, the total charges to overhead expense will be available separately from the credits to overhead reimbursed. For the following year, percents may be adjusted to reduce differences between the overhead amount expended and reimbursed. Any differences between these two accounts at the end of the year must be charged or credited as the case may be to appropriate expense accounts according to the value of the items issued.

As mentioned in Part V of this manual, an actual physical inventory should be taken at least once annually, and a comparison should be made between the control county on the perpetual inventory and the actual count. At this time any difference should be adjusted by charging or crediting overhead expense, by the value of any difference in the quantity on hand, with the offset to stock withdrawals. If at any time the warehouse is unable to complete a request because of insufficient stock, an indication of how much was actually issued should be noted on the requisition. This will make possible a simple check of agreement with the perpetual inventory on that item, since the account will now be zero, or very small. Inventory variations discovered at such times should be accounted for when convenient, but no later than the end of the year.

Specifically, if the Stores account is maintained in the General Fund, the net value of the inventory will be reported in Part I of the Annual Financial and Budget Report, both as an ending balance for the current year and as a beginning balance for the new year. If a warehouse Revolving Stores Fund account has been established, the net value of the inventory will be entered on part nine of the Annual Financial and Budget Report, which is for special funds. List the accounts as "Stores" for both beginning and ending balances. Expenditures for operating purposes will be zero in all cases, since these expenditures are accounted for in the General Fund. Should additional capital be added to the fund resulting from an increase in daily attendance, the increased capital is accounted for as a transfer expense on the General Fund and a transfer income on the Revolving Stores Fund. Conversely, should some portion of the capital funds be returned to the General Fund, the amount returned is a transfer expense on the Revolving Stores Fund and a transfer income on the General Fund.

In the event that the Revolving Stores Fund is established as a common fund of two or more districts, duplicate Annual Financial and Budget Report forms (Part II) are prepared for inclusion with the budgets of each co-owner of the fund. An indication is made showing the percent of equity of each co-owning district according to the value of its initial cash and inventory contributions to the established fund.

When the Revolving Stores Fund is established initially, the transfer expense account in the General Fund is in the amount of cash plus inventory contributed to the fund. In this year the General Fund will show the value of Stores as a beginning balance but will show no ending balance. The Revolving Stores Fund of the first year will show no beginning balance but will show a transfer income in the total value of cash plus inventory received and an ending balance of Cash and Stores.

GENERAL LEDGER ACCOUNTING FOR BUILDING FUNDS

Building funds are used to account for the receipt and disbursement proceeds of the sale of bonds authorized by elections and issued by a district under Education Code Section 21701. The major expenditures in a district building fund are related to the purchase and improvements of sites, construction and modification of buildings, and the purchase of equipment.

The accounting entries described earlier in this section for appropriations, expenditures, and encumbrances are found in the Building Fund. However, there are some accounting features in this fund that are not found in other funds.

To illustrate the accounting for a building fund, a series of typical transactions and entries in summary form is given, as follows:

1. An issue of bonds totaling $5,000,000 is authorized by the voters for the purchase of sites and the construction of buildings.

Serial Bonds Authorized--Unissued	$5,000,000	
Reserve for Unissued Bonds		$5,000,000

2. The full issue is sold to the Bank of America.

Cash in County Treasury	$5,000,000	
Income--Sale of Bonds		$5,000,000
Reserve for Unissued Bonds	$5,000,000	
Serial Bonds Authorized--Unissued		$5,000,000
Estimated Income	$5,000,000	
Appropriations		$5,000,000

NOTE: Because contracts cannot be let until funds are available, appropriation authority must be withheld until bonds are sold.

3. Construction contracts and agreements to purchase sites are made in the amount of $4,900,000.

Encumbrances	$4,900,000	
Reserve for Encumbrances		$4,900,000

4. Other costs, not encumbered, are paid in the amount of $20,000.

Expenditures	$20,000	
Cash		$20,000

5. Construction contracts and agreements to purchase sites, previously encumbered, are paid in the amount of $4,910,000.

Reserve for Encumbrances	$4,900,000	
Encumbrances		$4,900,000
Expenditures	$4,910,000	
Cash		$4,910,000

6. An entry is made to close Expenditures into Appropriations.

Appropriations	$4,930,000	
Expenditures		$4,930,000

7. An entry is made to close Income into Estimated Income.

Income--Sale of Bonds	$5,000,000	
Estimated Income		$5,000,000

8. An entry is made to close Appropriations into Unexpended Fund Balance.

Appropriations	$70,000	
Unexpended Fund Balance		$70,000

APPENDIX A

SAMPLE FORMS CCAF-111 and -311

APPENDIX B

COLLEGE ACCOUNTING AND COSTING

APPENDIX B

COLLEGE ACCOUNTING AND COSTING

This appendix discusses accounting principles unique to Community College districts and certain concepts for measuring costs to facilitate district and college fiscal decisions.

While most fundamental principles of accounting, such as uniform nomenclature and double entry accounts, are common to both governmental and commercial operations, certain specific principles are unique to Community College districts.

Fixed assets of a district have little or no bearing on a district's solvency. However, records of investments in land, ground improvements, buildings, equipment and the like should be maintained for administrative control and insurance valuation. Fixed assets accounts should be charged with capital outlay expenditures from all funds either currently or by summary entry at the end of each fiscal year and a reserve account entitled "Investment in Fixed Assets" credited with a like amount. Fixed asset retirements and adjustments are treated similarly by charges or credits to these accounts. Depreciation records on fixed assets generally are not maintained in tax-supported agencies except for public utilities. Memorandum depreciation records may be maintained to reflect future liability for fixed asset replacement.

Long-term financing of a government unit is different from private enterprise. Bonds issued by a private concern are usually secured by the fixed assets of the issuing concern. Governmental bonds are secured by ability of the college district to raise money through taxation. Bonded debt accounts are maintained by the county auditor, and data are usually furnished the district annually on the budget requirements for the Bond Interest and Redemption Funds. However, districts should keep memorandum records of the bonded debt in order to have at hand complete data regarding such indebtedness, present and future tax requirements for redemption and interest, and potential additional bonding capacity.

Revenue is defined as additions to assets which do not increase any liability, nor represent the recovery of an expenditure, nor represent the cancellation of liabilities without a corresponding increase in other liabilities or a decrease in assets (National Committee on Municipal Accounting). "Revenue refers to an increase in the net resouces or surplus of a fund," but not all increases in the net resources of a particular fund "result in an increase in the net resources of the municipality as a whole, since the resources of another fund may decrease correspondingly." Fund revenues are classified by source, such as federal subvention, state apportionments, or district taxes.

Expenditures are charges against appropriations. For accrual accounting expenditures includes total charges incurred, whether paid or unpaid. For cash accounting, expenditures covers only the actual cash disbursements.

An appropriation is an allocation of funds, income, or estimated income made by the governing board of the district for specific purposes, usually limited as to time expenditure. Appropriations authorize spending for definite activities by specifying the purposes for which expenditures may be made, the amount to be spent, and the period of time during which the expenditures are to be made.

Though carefully planned, changes in appropriations are sometimes necessary. Contingencies may arise that require additional appropriations. A contingent reserve (Account 7900 Appropriation for Contingencies) is provided from which the governing board may authorize transfers to activities for which insufficient funds were provided in the original appropriation.

Obligations in the form of purchase orders or contracts to be met from an appropriation are recorded as a restriction or encumbrance of the appropriation balance to keep commitments within the financial plan. This controls overexpenditures of appropriations. If encumbrances are not formally entered against the appropriation account, commitments may exceed the amount allocated to the appropriation. Obligations cease to be encumbrances when paid.

Fund balances with suitable qualification, denote excess of assets over liabilities or excess of resources over the sum of obligations, reserves, and unencumbered appropriations.

The term fund is defined as a "sum, of money or other resources (gross or net) set aside to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations and constituting an independent fiscal and account entity" (National Committee on Municipal Accounting). The accounting structure of a fund may include all the usual general ledger accounts: assets, liabilities, fund balance, income, expenditures, appropriations, and encumbrances. The fund is a complete and separate entity yielding distinct financial reports even though records may or may not be physically separated. In some cases, specific expenditures may be made from two or more different and the law authorizes transfers from one fund to another by resolution of the governing board.

The number of kinds of funds authorized by law varies from time to time. In addition to the General Fund, some of the typical funds used by Community College districts are the Bond Interest and Redemption Fund, Building Fund, and Cafeteria Fund. The greater the number of funds, the more rigid the financial administration becomes. In the absence of legal requirements, there sould be as few funds as possible.

The budget is a proposed plan of expenditures and the means of financing these expenditures, accounting for necessary legal requirements. Annual financial and budget reports exhibit actual income and expenditures of the prior fiscal year, the proposed appropriations for expenditures, and the proposed sources of income for every fund of the district.

Transactions are recorded in documents such as apportionment notices, cash receipts, deposit records, requisitions, purchase orders, warrants, and warrant registers and these employed for direct or summarized posting to ledger accounts. They should indicate the accounts affected by account name or number. Documents that (1) represent transactions of any one kind, (2) are numerous and (3) regularly recurring are usually recorded consecutively and chronologically in specialized registers known as books of original entry. These registers accumulate totals for similar transactions to reduce posting to general ledger accounts.

Every accounting system needs a journal or system of journal vouchers, other than special registers, for the first recording infrequent entries for which no other provision is made: opening, adjusting, and closing entries, and posting to ledgers. Standard commercial forms are generally suitable.

College Costing

The college budgeting structure does not provide for measuring the value of output. However, many fiscal decisions deal with the internal or technical efficiency of colleges and may be served by the activity measures and costs categorized by the activities described in Part III. Such decisions do not require measuring the value of output. For example, a college may teach drafting in the most efficient way possible, given its resource. However, if there is no demand for drafting courses by individuals in the community or need for draftsmen in the community, region or even state, then the college is not effective. Effectiveness, in this sense, is determined only by measuring the value of output, in contrast to the notion of efficiency analyzed by costs and levels of activity.

Costs may be cast in different ways depending upon the subject and length of time for which the fiscal decision is applicable. Very often alternative solutions to a problem are developed and the decision relies on analyzing the costs and outcomes estimated to result from each feasible alternative.

The costs of any alternative should be the "opportunity costs" resulting from its implementation. Opportunity costs are the value of those activities or opportunities that must be forgone to implement an alternative. Such costs consist of two basic components: variable costs and fixed costs.

Variable costs are generated by resources whose quantity can be adjusted or changed during the planning period. Fixed costs, by contrast are generated by resources whose quantity cannot be adjusted during the planning period. Whether resources are fixed or variable depends on the length of the planning period. For a one-year operating budget plan most of the Community College's physical plant is fixed as are certain staff, due to long-term contracts or

other semi-permanent employment arrangements. Other staff, particularly those under part-time or temporary employment provisions, are a variable resource. For a longer five or ten-year planning period most resources are variable with the exception of that physical plant and equipment inherited from a previous planning period.

Cost analysis should include both fixed and variable resources. Costing the variable resource is easier then the fixed resource because the latter's period of service extends beyond the planning period. Generally, the amortization cost of the fixed resource should be used; i.e., that portion of its total acquisition cost correctly charged against the planning period given the life of the resource.

Total, fixed, and variable cost data allows derivation of marginal and average costs. Cost rankings of decision alternatives generally use total data. However, some planning problems require marginal and average data as well. For example, initial equipment and other fixed costs in Drafting may be extremely expensive, while the variable costs of adding additional students to the program are minimal due to increasing sizes of course sections; and perhaps because those in the drafting program may not use library, student, and other supporting services at the college to any degree. The average cost for each student is high while the marginal cost of each additional student is low. As students are added to the program the impact of the fixed cost becomes less important until the two costs (marginal and average) are equal. College managers usually must make decisions about increasing or decreasing program size at points where marginal and average costs are not the same. It is essential to know the approximate difference between the two measures, even though it is more difficult to measure the marginal or incremental cost.

In contrast, a decision to establish or terminate a drafting program is normally based upon total rather than either average or marginal cost so decisions on efforts to achieve broad college objectives such as enhancing the educational experiences of the elderly would also use total cost data.

The choice of units in which costs are measured depends largely upon the problem. If programs involve just instruction and not other elements of the college operation (the extreme case), student credit or contact hours are useful unit or quantity indicators. Proposals involving both instructional and noninstructional costs and perhaps also utilizing community facilities are cast more appropriately in terms of costs per full-time equivalent student or per head count student, the former having been adjusted from the latter for the extent of student part-timeness.

Units, such as costs per degree or certificates granted, popular in four-year institutions may be misleading for community college planning. Even the cost per completion, with completion defined imaginatively, is likely to miss the mark since even those failing to complete a program probably benefit to a certain extent. Excluding them distorts the cost-benefit analysis by understating the benefits.

It is possible, however, to use the student credit unit as a measure of output so long as the credit unit is not defined in the traditional sense.

For example, Mt. San Jacinto College allows variable credit for most courses offered. A student may earn one, two, or three units in a traditional three unit course by achieving certain measurable and unmeasurable objectives specified by the instructor. The use of unmeasurable objectives generally incorporates the effective, as well as cognitive, elements of college instruction. A student who masters one-third of the course content receives appropriate credit, rather than nothing as he would under traditional credit and grading procedures. Thus, for Mt. San Jacinto, the credit unit measures output since it is defined in terms of the skills and attributes added to students taking courses.

Another popular but sometimes misleading distinction is that between "direct" and "indirect" costs. One definition suggests that those costs easily attributable to college programs are direct while those more difficult to attribute to the program - requiring proration or allocation - are indirect. The criterion is thus the energy of college staff. Another definition labels instructional costs as direct and noninstructional costs as indirect. This apparently refers to classroom expenditures, since the library, counseling, or admissions and records efforts all have their own direct and indirect expenditures. The direct-indirect definition appears to be a function of the particular planning problem and of general use primarily for certain institutional funding situations, such as the Vocational Education Act program, where federal grants provide additional overhead funding based upon indirect cost calculations.

APPENDIX C

CLASSIFICATION OF INSTRUCTIONAL DISCIPLINES (CID)
January 1973

NOTE: The above is a separate document initiated by and the responsibility of Academic, Student Affairs & Facilities Planning of the Chancellor's Office. (916 - 445-1163)

APPENDIX D

LIST OF SUPPLIES, EQUIPMENT, AND CAPITAL OUTLAY

Rev. 2/76

APPENDIX D

LIST OF SUPPLIES, EQUIPMENT, AND CAPITAL OUTLAY

Letters before items in the list below have the following meanings:

E = Equipment
S = Supplies
I = Site Improvements
B = Building

The list should be used in conjunction with criteria in Part IV. Many items listed as equipment are considered as materials for site improvement if attached to the land or building if attached to buildings.

If an item is not in the list, another similar item can be used. Some items must be identified by association. For example, an item is identified by associating it with one of the following supplies: chemicals, cloth, clothing, compounds, dishes, drugs, food, games, glassware, machines (small hand), medicines, paint, parts (repair), stationery, tableware, tools (hand, not in sets), and utensils; or by associating it with any of the following equipment: apparatus, appliances (household), cabinets, furniture, implements (farm), livestock, machines (large), tool sets (hand), and tools (power).

ESIB

S--Abrasives
S--Absorbent cotton
S--Account books
S--Accounting forms
E--Accounting machines
S--Acetylene
S--Achievement tests
S--Acids
S--Adding machine ribbons
S--Adding machine tapes
E--Adding machines
S--Addressing machine plates
S--Addressing machine ribbons
S--Addressing machine stencils
E--Addressing machines
S--Adhesive tape
S--Adzes
S-Air, compressed
E--Air compressors
B--Air-conditioning systems
E--Air-conditioning units, casement
S-Air gauges, tire
E--Air hoists
S--Albums
S--Alcohol

ESIB

E--Alidades, telescopic
E--Alignment gauges, camber, toe-in
E--Ammeters
S--Ammonia
S--Ampules
S--Anatomical charts
E--Anatomical models
E--Andirons
E--Anemometers
S--Anesthetics
S--Aniline dyes
S--Animal boxes
E--Annunciators
S--Antifreeze
S--Antiseptic gauze
S--Antiseptics
S--Antitoxins
E--Anvils
E--Apparatus cabinets
E--Apparatus, medical, scientific, electronic, photographic, arc-welding
E--Appliances, household
S--Applicators, throat
S--Aprons
E--Aquariums
E--Arc-welding apparatus

ESIB	
S	Arch supports
S	Archery sets
S	Architects scales, 1-inch measure
E	Armature growlers
S	Arrows
S	Art canvases
S	Art crayons
S	Art erasers
S	Art paints
S	Art paper
S	Asbestos
S	Ash cans
S	Asphalt
S	Asphalt roofing and siding
S	Astringents
E	Astrographs, wall
S	Athletic uniforms
S	Atlases
S	Atomizers
E	Audiometers
S	Auger bits
S	Augers
E	Autoclaves
S	Automatic regulating valves
S	Automobile accessories
S	Automobile controls for handicapped persons
S	Automobile defrosters
S	Automobile fule tanks
S	Automobile heaters
E	Automobile lifts
S	Automobile signals
S	Automobile tires and tubes
E	Automobiles
S	Awards
S	Awls
B	Awnings, fixed
E	Awnings, removable
S	Axes
S	Babbit metal
B	Backboards, indoor, fixed
I	Backboards, outdoor, fixed
E	Backboards, portable
I	Backstops, fixed
E	Backstops, portable
S	Badges
S	Badminton rackets
S	Bags
S	Baking pans
S	Baking powder

ESIB	
S	Baking soda
E	Balances, beam
S	Balances, small spring
E	Baling presses, compression moulding
S	Ball bearings
S	Ball peen hammers
S	Balloons
S	Ballot boxes
S	Balls
E	Band instruments
S	Band saw blades
E	Band saws
E	Band uniforms
S	Bandages
S	Bands, rubber
S	Banners
E	Barber shop tools, electrical
S	Barber shop tools, hand
E	Barber-type furniture
E	Barographs
E	Barometers
S	Barrels
E	Bars, horizontal, portable
S	Baseballs
S	Bases, baseball
S	Bases, electric lamp
I	Bases, flagpole
S	Basins, portable
S	Basketball shoes
S	Basketballs
S	Baskets, container
S	Bath curtains
S	Bath mats
S	Bath robes
S	Bathtub fittings
S	Batons
S	Bats
S	Batteries, electric
E	Battery charges
S	Battery elements
S	Batting, cotton
S	Beads, arts and crafts
S	Beakers
E	Beam, compass
S	Bean bags
S	Bearings, ball
S	Bearings, roller
E	Beaters, egg, electric
S	Beaters, egg, hand
E	Beauty class furniture
S	Bedding

ESIB

S--Bedpans
E--Bed:
S--Bedspreads
S--Bedsprings
S--Beeswax
S--Bellows, hand
E--Bellows, power
S--Bells, call
S--Bells, small hand or desk
S--Belt dressings
S--Belts
S--Bench stops
E--Benches
S--Benzene
S--Bevels
I--Bicycle racks, fixed
E--Bicycle racks, portable
E--Bicycles
S--Billheads
E--Billing machines
E--Binders, agricultural
S--Binders, looseleaf
S--Binding cloth
S--Binding cord
E--Binoculars
S--Biological charts
E--Biological models
S--Biology specimens
S--Bit braces
S--Bit tools
S--Bits
S--Blackboard pointers
E--Blackboards, portable
S--Blackboards, small slate
S--Bladders
S--Blades, saw
S--Blankets
S--Blanks, printed
B--Bleachers, indoor, fixed
I--Bleachers, outdoor, fixed
E--Bleachers, portable
S--Bleaches
B--Blinds, venetian
S--Blocks, hat
S--Blocks, kindergarten
S--Blocks, surface hardened
S--Blocks, terminal
E--Blood analysis apparatus, complete
E--Blood plasma cabinets
E--Blood pressure apparatus

ESIB

S--Blotter holders
S--Blotter pads
S--Blotters
E--Blowers
S--Blowpipes
E--Blueprint machines
S--Blueprint paper
S--Bluing
S--Boards, bread
B--Boards, bulletin, fixed
E--Boards, bulletin, portable
S--Boards, carrom
S--Boards, checker
S--Boards, drawing
S--Boards, emery
S--Boards, games
E--Boards, ironing
B--Boards, ironing, built-in
S--Boards, lumber
S--Boards, mounting
S--Boards, sandwich
S--Boards, wash
E--Boats or canoes
S--Bobbins
E--Bodies, bus
E--Bodies, truck
S--Bodkins
S--Boiler cleaners
S--Boiler compounds
S--Boiler firing tools
S--Bolt cutters
S--Bolts
S--Bond paper
S--Book cards
S--Book jackets
S--Book pockets
S--Book records
E--Book stacks
E--Book trucks
E--Bookbinding machinery
E--Bookcases, portable
E--Bookcases, sectional
S--Bookcloth
S--Bookcovers
S--Bookends
S--Bookkeeping forms
E--Bookkeeping machines
S--Bookplates
S--Books
S--Books, cash
S--Books, composition

ESIB

E--Books, library
S--Books, looseleaf note
S--Books, record
S--Books, text
S--Boots
E--Boring machines, precision, table or verticle types
S--Bottle syphons
S--Bottles
S--Bowling alley pins
S--Bowls
S--Bowls, water closet
S--Bows, archery
S--Box files, cardboard
S--Boxes
S--Boxes, electrical
S--Boxing gloves
E--Boxing rings, complete
E--Boyle's law apparatus, complete unit
S--Brake lining
E--Brake lining machines
E--Brakes and folders, hand or power
S--Brakes, complete replacement units
S--Brass polishes
S--Brass rods
S--Brass sheets
S--Bread knives
S--Bread pans
E--Bread slicers, mechanical
E--Bread toasters, electric
S--Breadboards
S--Breakers, circuit
S--Bricks
E--Bridges, wheatstone and similar
S--Bridles
S--Briefcases
E--Broilers, electric
S--Bronze, casting
S--Bronzing liquid
E--Brooders
S--Brooms, hand
E--Brooms, power-driven
S--Brushes
S--Buckets
S--Bucksaws
E--Buffers, electric
S--Bug sprays
S--Bulbs, electric light

ESIB

S--Bulbs, flower
B--Bulletin boards, fixed
E--Bulletin boards, portable
S--Bunting
S--Burettes
S--Burlap
S--Burners, bunsen
S--Bus accessories
E--Bus chassis
S--Bus repair parts
S--Bus tickets
S--Bus tires and tubes
S--Bus tokens
E--Bus wagons
E--Buses
S--Bushings
S--Butter spreaders
S--Buttons
S--Buttons, push
S--Buzzers
E--Cabinets, apparatus
E--Cabinets, beverage cooling, ice or electric
E--Cabinets, filing
B--Cabinets, fixed
E--Cabinets, frozen food storage
E--Cabinets, ice cream, ice or electric
E--Cabinets, laboratory
E--Cabinets, lantern slide
E--Cabinets, portable
E--Cabinets, print, drafting
E--Cabinets, printers, galley
E--Cabinets, printers, type
E--Cabinets, supply
S--Cable
E--Cages
S--Cake knives
S--Cake pans
S--Cake soaps
S--Calcimine
E--Calculating machines
S--Calendar pads
S--Calendar stands
S--Calendars
S--Calico
S--Calipers
S--Call bells
E--Calorimeters, continuous flow
E--Calorimeters, electric
E--Cameras
E--Cameras, motion picture

ESIB

E--Cameras, still
E--Cameras, TV
S--Can covers
S--Can openers
S--Candles
S--Candlesticks
S--Canes
E--Canners
E--Canoes
S--Cans, ash
S--Cans, garbage
S--Cans, rubbish
S--Canvas
E--Cappers
S--Caps, metal
S--Carbide
S--Carbon dioxide
S--Carbon paper
S--Carbon ribbons
S--Carborundum stones
S--Carburetors
S--Card holders
E--Card punching and sorting device
E--Card racks
E--Card tables
S--Cardboard
S--Cardboard boxes
S--Cards
S--Carpenters squares
S--Carpet beaters
E--Carpets
S--Carrom boards
S--Carrom cues
S--Carrom rings
E--Carts
S--Carving knives
S--Cases, brief
S--Cases, cardboard
E--Cases, display
E--Cases, file
E--Cases, laboratory
E--Cases, musical instruments, large
S--Cases, musical instruments, small
E--Cases, supply
E--Cases, type
S--Cash boxes
E--Cash registers
S--Casters
S--Casting bronze

ESIB

S--Catalog cards
S--Catches
E--Cattle
S--Caulking compounds
S--Caulking irons, all sizes
S--Caustics
S--Cellophane
S--Cells, photoelectric
S--Celluloid
S--Cement, construction
S--Cement, liquid
E--Centering machines
E--Centrifuges
S--Certificates
S--Chafing dishes
E--Chain hoists
S--Chains
S--Chains, tire
S--Chair pads
E--Chairs
E--Chairs, folding
B--Chalkboards, fixed
E--Chalkboards, portable
S--Chalks
S--Chamois
S--Change holders
S--Charcoal
S--Charge slips
E--Chargers, battery
E--Chart, stands
E--Charts, large
S--Charts, small
E--Chassis, bus
E--Chassis, truck
E--Check handling machines
S--Checkbooks
S--Checker boards
S--Checkers
S--Checks, brass
E--Checkwriters
S--Cheesecloth
S--Chemicals
S--Chemistry glassware
S--Chemistry rubber goods
E--Chimes, large
S--Chimes, small
S--Chinaware
E--Chisels, in sets
S--Chisels, not in sets
S--Choppers, food, hand-operated
E--Choppers, food, power

ESIB

S--Circuit breakers
S--Clamps
S--Clay
S--Clay modeling tools
S--Cleaners, flue
E--Cleaners, steam vapor
E--Cleaners, vacuum
S--Cleaning compounds
E--Clinometers, photoelectric
E--Clippers, electric
S--Clippers, hand
S--Clips
B--Clock systems, program, electric
S--Clocks, desk
E--Clocks, wall
S--Cloth
S--Cloth binding
E--Cloth cutting machines
S--Cloth nets
S--Clothes baskets
S--Clothes brushes
E--Clothes dryers
S--Clothes hooks
S--Clotheslines
S--Clothespins
S--Clothing
E--Clutch rebuilding apparatus
S--Coat hangers
S--Coat hooks
S--Cocoa mats
S--Coffee cans
E--Coffee grinders
E--Coffee percolators, electric
S--Coffee pots
E--Coffee urns
E--Coin, currency, and check handling machines
S--Colanders
E--Collapsible tubes
S--Colored pencils
E--Colorimeters
S--Coloring dyes
E--Combines
S--Combs
E--Combustion analyzers
E--Comparators
S--Compasses, blackboard
S--Compasses, drawing
E--Compasses, magnetic
S--Compasses, magnetic, pocket

ESIB

S--Compounds
S--Compressed air
E--Compressors, air
E--Computing machines
S--Condensers, electronic
S--Condensers, ignition distribution
S--Condiments
S--Conduit boxes
S--Conduits and fittings
E--Connecting rod aligners
E--Connecting rod boring machines
E--Connecting rod rebabbitting jigs
S--Connectors, wire
S--Construction paper
S--Containers
E--Conveyors
E--Cookers, pressure
S--Cooking stoves
S--Cooking utensils
E--Coolers, water
S--Coping saw blades
S--Copper
S--Coppers, soldering
S--Copyholders
S--Cord
S--Cords, electric
S--Cores, valve
S--Cork
S--Corkscrews
S--Cornices, metal
S--Correction fluid, stencil
S--Corrosives
S--Corrugated paper
E--Costumers
S--Costumes, theatrical
E--Cots
S--Cotter pins
S--Cotton, absorbent
S--Cotton gauze
E--Couches
E--Counter freezers
B--Counters, fixed
S--Counters, revolution and stroke
S--Countersinks
S--Couplings
S--Coveralls
S--Covers
S--Crayons
S--Crockery
S--Crocks

ESIB

S--Cross-section paper
S--Crucibles
S--Crude oil
S--Crushed rock
S--Crystals, watch
S--Cues, carrom
E--Cultivators
S--Culverts, sheet metal
S--Cup hooks
E--Cupboards
S--Cups
S--Cups, grease
I--Curbs
S--Curling irons
S--Curtain rods
S--Curtains, shower and window
B--Curtains, stage
B--Curtains, cycloroma
S--Curtains, window
S--Cuticle pushers
S--Cutlery
S--Cutters, glass
E--Cutters, large
S--Cutters, pastry
S--Cutters, plane
S--Cutters, small
E--Cylinder boring machines
S--Cylinder oils
S--Cylinders, dictating machine
E--Cylinders, gas
S--Cylinders, hydrometer jar
S--Cylinders, mailing
S--Dampers
S--Date stamps
S--Daters
E--Dating machines
S--Decorations
E--Deep fat fryers
E--Deep freezers
S--Dental abrasive points
E--Dental benches
E--Dental cabinets
E--Dental chairs
S--Dental charts
E--Dental drilling apparatus
S--Dental drills
S--Dental instruments, small
S--Deodorizers
S--Desk blotters
S--Desk lamps
S--Desk letter baskets

ESIB

S--Desk pads
E--Desks
S--Developers, photographic
S--Developing tanks
S--Dextrin
S--Dextrose
S--Diaries
S--Dictating machine cylinders, discs, and tapes
E--Dictating machines
S--Dictionaries, abridged
E--Dictionaries, large unabridged
E--Dictionary stands
E--Dies, in sets
S--Dies, not in sets
S--Diesel engines, integral parts of larger units
E--Diesel engines for use in classrooms
S--Diploma covers
S--Diploma ribbons
S--Diploma seals
S--Diplomas
E--Discs, optical
S--Discs, phonograph
S--Dish brushes
S--Dish cloths
S--Dish pans
E--Dish trucks
S--Dishes
B--Dishwashers, fixed
E--Dishwashers, portable
S--Disinfectants
S--Dispensers, soap
E--Display cases
S--Display mounts
S--Dissecting sets
S--Distilled water
E--Distilling apparatus
S--Distributor boxes
S--Distributors
E--Ditto machines
S--Dividers
S--Doilies
S--Dollies
S--Dolls
S--Doormats
S--Doors
S--Dowels
S--Drafting instruments
E--Drafting machines
S--Draglines

ESIB

S--Drain cleaners
S--Drain pans
S--Drain plugs
S--Drain plungers
S--Drain tile
S--Drainpipe flushers
B--Drapery
S--Drapery cloth
S--Drawing boards
S--Drawing compasses
S--Drawing instruments
S--Drawing paper
S--Drawing pens
E--Drawing tables
S--Dressers, emery wheel
S--Dressing, belt
S--Drier, ink
S--Drier paint
S--Drier varnish
E--Drift meters
S--Drift pins, all sizes
S--Drill bits
S--Drill points
E--Drill presses, bench, floor or radial
S--Drills, hand
E--Drills, power
E--Drinking water coolers, electric or ice
I--Driveways
S--Drugs
E--Drums, bass, kettle, snare
S--Drums, fiber
S--Drums, metal
S--Drums, other than musical
S--Dry cells
S--Dry measures
E--Dryers
E--Dryers, clothes
E--Dryers, hair
S--Drygoods
E--Drying units, infrared
S--Dumbbells
S--Duplicating machine brushes
S--Duplicating machine ink
S--Duplicating machine paper
S--Duplicating machine parts
S--Duplicating machine rolls
E--Duplicating machines
S--Dustcloths
S--Dusters

ESIB

S--Dustpans
S--Dyes
S--Earthenware
E--Easels, large
S--Easels, small
S--Edge tools, except cutting dies
E--Edgers, lawn
S--Educational tests
E--Eggbeaters, electric
S--Eggbeaters, hand
S--Elastic
S--Electric batteries
E--Electric clippers, sheep, horse
S--Electric cords
E--Electric dishwashers
E--Electric floor scrubbers
S--Electric fuses
E--Electric hot plates
E--Electric irons
S--Electric lamp bases
S--Electric light bulbs
E--Electric mixers
E--Electric sanding machines
S--Electric switches
E--Electric toasters
E--Electric tube testers
E--Electric vacuum cleaners
E--Electric waxing machines
E--Electric welding apparatus
S--Electric wires
S--Electrical boxes
B--Electrical systems
S--Electrodes
E--Electrolysis apparatus
S--Electromagnets, laboratory
S--Electronic components
E--Electronic deviation meters
E--Electronic frequency meters
E--Electronic power supply and voltage regulators
E--Electronic recording devices, graphical and visual
S--Electronic tubes
E--Electronic volt-ohmmeters
S--Elements, battery
E--Embossers
S--Embossing fluid
S--Embossing pans
S--Emery boards
S--Emery cloth
S--Emery powder

ESIA

S--Emery wheel dressers
S--Emery wheels
S--Enamel
S--Enameled ware
E--Encyclopedia, set
E--End tables
S--Engineers scales, measure
E--Engine flushing machines
E--Engines, for use in classrooms
S--Engines, integral parts of larger units
E--Enlargers
E--Envelope sealers
S--Envelopes
S--Epsom salts
S--Eradicator, ink
E--Erasers, electric
S--Erasers, hand
E--Exhibit cases
E--Exposure meters, camera
E--Extensometers
E--Extinguishers, fire
E--Extractors
S--Extracts
S--Eye charts
S--Eyelets
S--Fabrics
S--Face and eye shields
S--Faces, archery
E--Falling weight rammers
E--Fans, electric, portable
S--Fasteners
S--Fasteners, apparel
E--Faucets, combination or single
S--Feldspar
S--Felt
I--Fences
S--Fencing foils
S--Ferrules
S--Fertilizers
S--Fiber rod
S--Fiber sheets
S--Fiber tubes
S--Fiberboard
E--Figures, geometrical, models, in sets
S--File boxes
S--File cards
S--File folders
S--Files, wood and metal working
E--Filing cabinets
E--Filing machines

ESIB

S--Fillings
S--Fillers, battery
S--Fillers, ink
S--Fillers, paint
S--Fillers, wood
S--Film unprocessed
E--Film processed
S--Film cement
S--Filter paper
S--Filters, small
S--Fingers, rubber
S--Filmstrips
E--Firearms
S--Fire axes
S--Fire extinguisher refills
E--Fire extinguishers
S--Fire hooks
B--Fire safety systems
S--Fire shovels
S--Fire tongs
E--Fireplace fixtures
S--Fittings, lubrication
S--First aid kits
I--Flagpole bases
I--Flagpoles
E--Flags, large
S--Flags, small
S--Flashlights
S--Flasks
E--Flatirons, electric
S--Flavorings
S--Flaxseed
S--Flexible cord sets
S--Flexible metal hose
S--Flexible metal tubing
S--Floats, hydrometer
S--Floats, plumbing
E--Floodlights, portable
B--Floor covering, wall-to-wall
S--Floor oil
E--Floor scrubbers, electric
S--Floor waxes
S--Flour
S--Flower bulbs
S--Flowerpots
S--Flowers
S--Flue cleaners
S--Fluorescent lamps
S--Fluorescent starters
E--Fluoroscopes
S--Flushers, drainpipe
S--Flush valves

ESIB

S--Flux
S--Fly sprays
S--Folders
E--Folding chairs
E--Folding tables
S--Food
S--Football dummies, tackling
S--Football shoes
S--Football uniforms
S--Footballs
S--Forceps
E--Forges
S--Forks, silverware
S--Forks, spading
S--Forks, tuning
S--Formaldehyde
E--Forms, dress
E--Forms, geometrical, model, *in sets
S--Forms, printed
E--Foundry machinery
E--Frames, blueprint
S--Frames, door
S--Frames, mirror
S--Frames, ophthalmic
S--Frames, picture
S--Frames, saw
S--Frames, window
E--Freezers
E--Freezers, ice cream
E--Frequency meters
S--Friction tape
S--Fruits
S--Fuels
S--Fumigants
S--Fumigators
S--Fungicides
S--Funnels
E--Furnaces
E--Furnaces, heat treating
E--Furnaces, laboratory
E--Furnaces, remelting, type metal
E--Furniture
S--Furniture polish
S--Fuses
S--Gages, tire
E--Galvanometers
E--Galvanoscopes
S--Games
S--Garbage cans
S--Garden hose
S--Garden tools

ESIB

S--Garments
S--Garnet paper
E--Gas compressors
E--Gas cylinders
S--Gas mantels
E--Gass meters, laboratory type
E--Gas plates
E--Gas stoves
S--Gases
S--Gaskets
S--Gasoline
E--Gasoline dispensing pumps, electric
S--Gasoline dispensing pumps, hand operated
I--Gates
E--Gauges, alignment, cambers, toe-in
S--Gauges, tire
S--Gauze
E--Gear cutting machines
S--Gears
S--Gelatin
E--Gelatin duplicators
S--Gelatin pads
S--Generators, integral parts of larger units
E--Generators, not integral parts of larger units
E--Geographic globes, large stand type
S--Geographic globes, small desk type
S--Glass
S--Glass watch
S--Glass cutters
S--Glass wool
S--Glasses, drinking
S--Glasses, magnifying
S--Glasses, ophthalmic
S--Glassware
S--Glaze
S--Glides
S--Globes, electric light
E--Globes, geographic, large stand type
S--Globes, geographic, small desk type
S--Gloves, rubber
S--Glue
S--Glycerin
I--Goalposts
S--Goggles
I--Grading
S--Graduated measures
S--Graph paper
S--Graphite
S--Grass seed

ESIB

S--Grass shears, hand operated
E--Grass shears, power operated
S--Grates, stove
S--Gravel
S--Grease
S--Grease guns, air, gun only
S--Grease guns, hand
E--Grinders, coffee
S--Grinders, hand operated
E--Grinders, power operated
S--Grinding compounds
S--Grinding wheels
S--Groceries
E--Growlers, armature
S--Guards, arm
S--Guards, lamp
S--Guards, shin
S--Gummed cloth
S--Gummed figures
S--Gummed labels
S--Gummed seals
S--Gummed tape
E--Guns, starting
S--Gym shoes
S--Gypsum
E--Gyroscopes
S--Hacksaws
E--Hair clippers, electric
S--Hair clippers, hand
E--Hair dryers
S--Hairpins
E--Hall trees
E--Hammers, autobody, pneumatic
S--Hammers, ball peen
E--Hammers, electric, hand
S--Hammers, light forged
E--Hammers, power
S--Hammers, sledge
S--Hampers
S--Hand bags
S--Hand saws
S--Hand stamps
E--Hand tools, in sets
S--Hand tools, not in sets
E--Hand tools, power driven, pneumatic and electric
E--Hand trucks
S--Handballs
S--Handbooks
S--Handles
S--Handscrews, wood and iron

ESIB

S--Hangers, clothing
S--Hangers, hardware
S--Hardware
E--Harnesses
E--Harrows
S--Hat blocks
S--Hatchets
S--Headlights
E--Heaters
E--Heaters, portable
S--Heating pads
S--Heating systems
E--Hectographs
S--Hemp fibre
S--Hinges
S--Hoes, garden
E--Hoists
E--Hoists, electric or pneumatic
S--Holders, blotter
S--Holders, change
S--Holders, copy
E--Holders, dictionary
S--Hooks
E--Horizontal bars, portable
S--Horns, motor vehicle
E--Horses
E--Horses, gym equipment
S--Horseshoes
S--Hose, apparel
S--Hose, flexible metal
S--Hose, garden
S--Hose clamps
S--Hose nozzles
E--Hot plates
S--Hot water bottles
E--Hurdles
E--Hydraulic jacks, garage type
S--Hydrometer floats
S--Hydrometers
S--Hygrometers
S--Hypodermic needles
S--Hypodermic syringes
S--Ice
S--Ice bags
E--Ice cream cabinets, ice or electric
E--Ice cream freezers
S--Ignition coils
E--Implements, farm
S--Incandescent lamps, bulbs
I--Incinerators, fixed
E--Incinerators, portable

ESIB

E--Incubators
S--Index cards
S--Index labels
S--Index tabs
S--Indian clubs
E--Inductance standards
S--Ink
S--Ink drier
S--Ink eradicator
S--Ink pads
S--Inner tubes, auto
S--Insect nets
S--Insect screening
S--Insecticides
S--Insignia
E--Instruments, band and musical
S--Instruments, dental, small
S--Instruments, drafting
S--Instruments, drawing
S--Instruments, medical, small
E--Instruments, musical
E--Instruments, recording, electrical
S--Instruments, surgical, small
E--Instruments, surveying
E--Instruments, testing
S--Insulators
S--Intelligence tests
B--Intercommunication systems
E--Interferometers
S--Interval timers
S--Iodine
S--Iodoform
S--Iron filings
S--Iron gauze
E--Ironers
S--Iron, sheet
S--Iron wedges
S--Ironing boards
E--Irons, electric
S--Jackets, book
E--Jacks, garage type, hydraulic
S--Jacks, mechanical
S--Jars
E--Jointers
S--Joints, plumbing
E--Juice extractors, electric
E--Jump standards
S--Kerosene
S--Kettles
E--Key racks
S--Key rings
S--Keys

ESIB

S--Keyboards, piano, paper
S--Keyhold saws
E--Kilns
E--Kitchen tables
S--Kitchen utensils
S--Kits, first aid
S--Knee pads
S--Knives
S--Labels
E--Laboratory balances, beam
S--Laboratory fittings, plumbing
E--Laboratory furniture
S--Laboratory glassware
E--Laboratory models
S--Laboratory mounts
S--Laboratory tools, small hand
S--Lacing
S--Lacquers
S--Lactose
E--Ladders, large
S--Ladders, small
S--Ladles
S--Lagscrews
S--Lamp bases
S--Lamp bulbs
E--Lamps
S--Lamps, desk
S--Lamps, drafting table
E--Lamps, electric floor
I--Landscaping
E--Lanter slide cabinets
S--Lantern slides
S--Lanterns
E--Lathes
E--Lathes, brake drum
E--Lathes, turret, or automatic screw machines
E--Lathes, wood turning
S--Laths
E--Lawn mowers
E--Lawn rollers
S--Lawn sprinklers, movable
E--Lawn sprinklers, traveling
I--Lawn sprinkling systems
I--Lawns
S--Lead
S--Lead pencils
S--Lead, red
E--Lead, slug and rule casting machines, elrod
S--Leather
S--Leather briefcases

ESIB

S--Leatherworking tools, hand
E--Lecterns
S--Ledgers
S--Lenses
S--Letter baskets
S--Letter files
S--Letter openers
S--Letter scales
S--Letterheads
S--Lettering pens
E--Letterpresses
S--Levels, precision machinist's
S--Levels, small or carpenter's
E--Levels, surveying
E--Library books
E--Library furniture
E--Library trucks
E--Lifts, vehicle
S--Light bulbs
S--Light globes
B--Light systems
E--Lighting units, blueprinting
S--Lime
E--Line markers, large push type
S--Line markers, small
S--Linens
S--Liners, staff, music
S--Liners, type
S--Lining, brake
S--Lining, cloth
S--Linoleum
S--Linotype metals
E--Linotypes
S--Linseed oil
S--Liquid bronzing
S--Liquid polishes
S--Liquid soaps
S--Litmus paper
E--Livestock
S--Loam
B--Locker, built-in
E--Lockers, movable
S--Locknuts
S--Locks, small, not built-in
E--Looms
S--Looseleaf binders
S--Looseleaf notebooks
S--Lubricants
S--Lubricating oil
S--Lubrication fittings
S--Lugs, soldering
S--Lumber

ESIB

E--Machine tools
E--Machinery, canning
E--Machinery, cement-making
E--Machines, adding
E--Machines, addressing
E--Machines, billing
E--Machines, bookkeeping
E--Machines, brake lining
E--Machines, calculating
E--Machines, check handling
E--Machines, coin handling
E--Machines, coin operated
E--Machines, dating, power
S--Machines, dating, small hand
E--Machines, dictating
E--Machines, dishwashing
E--Machines, drafting
E--Machines, drycleaning
E--Machines, duplicating
E--Machines, large
E--Machines, laundry
E--Machines, mimeograph
E--Machines, mixing
E--Machines, numbering, power
S--Machines, numbering, small hand
E--Machines, polishing
E--Machines pressing
E--Machines, sanding
E--Machines, scrubbing
E--Machines, sewing
S--Machines, small, hand
E--Machines, stamping, power
S--Machines, stamping, small hand
E--Machines, tabulating
E--Machines, washing
E--Machines, waxing
S--Magazine covers
E--Magazine racks, large stand
S--Magnets, laboratory
S--Magnifying glasses
S--Mail boxes
S--Mallets
S--Manicuring tools
S--Manila files
S--Manila folders
S--Manila rope
S--Map tracks
E--Maps, large
E--Markers, line, large push-type
S--Markers, line, small
S--Matches
S--Matrix, type

ESIB

S--Mats, door and bath
S--Mats, gymnasium, tumbling, wrestling
S--Mattocks
S--Mattresses
S--Mauls
S--Meal
S--Meats
S--Mechanical drawing instruments
S--Mechanical pencils
S--Medals
S--Medical instruments, small
S--Medicine balls
E--Medicine cases
S--Medicines
S--Megaphones
S--Memo books
S--Mending materials
S--Mesh, steel wire
E--Metabolism apparatus
S--Metal polishes
E--Metal working machinery
S--Metal working tools, small hand operated
S--Metals, die casting
S--Metals, laboratory
S--Metals, linotype
S--Meter sticks
E--Meters, watt, laboratory type
E--Microfilm readers and viewers for office use
E--Micrometers, in sets
S--Micrometers, not in sets
E--Microprojectors
E--Microscopes
S--Milk cans
E--Milking machines
E--Milliammeters
E--Milling machines, bench or floor
E--Millivoltmeters
E--Mimeograph machines
S--Mimeograph paper
S--Mineral wool
S--Minerals, laboratory
S--Minute books
S--Mirror frames
E--Mirrors, large wall
S--Mirrors, small
E--Mitre boxes
E--Mixers, electric

ESIB

S--Modeling clay
S--Modeling tools
E--Models, dress
E--Models, shop and laboratory
S--Molding, metal
S--Mop pails
E--Mop trucks
S--Mop wringers
S--Mops
S--Mortar
E--Mortisers
S--Moss
E--Motion picture cameras
E--Motion picture films
E--Motion picture projectors
E--Motor analyzers
E--Motor generator sets
S--Motor vehicle parts
E--Motor vehicles
E--Motorcycles
S--Motors, integral parts of larger units
E--Motors, not integral parts of larger units
S--Mounting boards
S--Mousetraps
E--Mowers, lawn
S--Mucilage
S--Multimedia sets
E--Music stands
S--Music, sheet
E--Musical instruments
S--Muslin
S--Mustard
S--Nail polishes
S--Nails
S--Napkins
S--Napkins, sanitary
S--Neatsfoot oil
S--Needles
S--Needles, hypodermic
S--Negative racks
S--Negative tanks
S--Nets, cloth
E--Nets, steel
S--Newspapers
E--Nibbling machines
S--Nickel polishes
E--Noise and field strength meters
S--Notebook covers
S--Notebooks
S--Notebooks, stenographers

ESIB

S--Nozzles, hose
E--Numbering machines, power
S--Numbering machines, small hand
S--Nuts
S--Oakum
S--Oars
E--Office composing machines, varitypes
E--Office furniture
E--Ohmmeters
S--Oil
S--Oil cans
S--Oilcloth
S--Ointments
S--Oleomargarine
S--Openers, letter
S--Ophthalmic frames
E--Optical discs
E--Organs
E--Oscillators
E--Oscillographs
E--Oscilloscope
S--Outlets, electrical
S--Outline maps
E--Output meters
E--Ovens
S--Ovenware dishes
S--Oxygen
S--Packing
S--Padding
S--Padlocks
S--Pads, chair
S--Pads, desk
S--Pads, ink
S--Pads, stamp
S--Pads, typewriter
S--Pads, writing
S--Pails
S--Paint drier
S--Paint remover
E--Paint spraying outfits
S--Paintbrushes
S--Paints
S--Palettes
S--Pamphlets
E--Pans, large
S--Pans, small
S--Pantographs
S--Paper
S--Paper clips
S--Paper cups

ESIB

E--Paper cutters
S--Paper fasteners
S--Paper napkins
S--Paper punches
S--Paper towels
S--Paraffin
S--Parts, automotive
S--Parts, radio, resistors, tubes, transformers
S--Parts, repair
S--Paste
S--Paste brushes
S--Pasteboard
S--Pasteboard boxes
S--Pastries
S--Pastry cutters
S--Patching compounds
S--Patterns
I--Paving
S--Peat moss
E--Peelers, electrical
S--Peelers, hand
S--Pen points
S--Pencil sharpeners
S--Pencils
S--Pencils, mechanical
E--Penetrometers, soil
S--Penholders
S--Penknives
S--Pennants
S--Pens
E--Percolators, coffee, electric
E--Perforators, large
S--Perforators, small
S--Periodicals
E--Permanent waving machines
S--Pestles
S--Phonograph needles
S--Phonograph record albums
S--Phonograph records
E--Phonographs
E--Photocopying apparatus
S--Photoelectric cells
E--Photoengraving apparatus
S--Photographic mounts
S--Photographic lenses
S--Photographs
E--Photometers
S--Piano parts
E--Pianos
S--Picks

ESIB

S--Picture frames
S--Picture wire
S--Pictures, small
E--Pictures, wall, large
S--Pigments
S--Pillows
S--Ping-pong sets
S--Pinking shears
S--Pins
S--Pipes
E--Pipe dies, in sets
S--Pipe dies, not in sets
S--Pipe fittings
S--Pipe steel
S--Pipettes
S--Piston rings
S--Pistons
S--Pitchers
S--Pitch pipes
S--Pitchforks
S--Plane cutters
E--Planers, power
S--Planes, hand
E--Planing machines, photoengravers
E--Plaques, permanent
E--Plarimeters
S--Plaster
S--Plaster, adhesive
S--Plastic wood
S--Plate glass
S--Plates
S--Plates, addressing machine
S--Plates, battery
E--Plates, bench
S--Plates, book
E--Plates, hot
S--Plates, lantern slide
S--Plates, photographic
E--Platforms
I--Playground equipment, fixed
I--Playground equipment, movable
I--Playground surfacing
S--Pliers
E--Plows, field
E--Plows, snow
S--Plugs, drain
S--Plugs, spark
S--Plumbing and heating valves
S--Plumbing fixture fittings and trim
S--Plumbs

ESIB

S--Plungers, drain
S--Pockets, book
S--Pointers
S--Points, drill
E--Polarimeters
E--Polariscopes
S--Poles
S--Poles, climbing
S--Poles, vaulting, bamboo
E--Poles, vaulting, metal
S--Polishes
S--Portfolios, leather
E--Postal meters
S--Posters
S--Posts
I--Posts, fixed
S--Pot cleaners
E--Potato peelers, large, machine
E--Pots, large
S--Pots, small
S--Pottery
S--Powders
E--Power sprayers and dusters
S--Preservatives
E--Presses, arbor
E--Presses, book, bookbinders
E--Presses, cylinder, flat, bed, printing
E--Presses, engraving
E--Presses, letter
E--Presses, lithographic or offset printing
E--Presses, mechanical
E--Presses, power
E--Presses, punch, foot power
E--Pressure cookers
S--Printed materials
E--Printing cases
S--Printing ink
S--Printing materials
E--Printing presses
S--Printing sets, rubber
S--Printing type
S--Prisms
E--Projectors
E--Protectors, check
S--Protractors
S--Pruners, hand
E--Pruners, power
S--Psychrometers
B--Public address systems, installed
E--Public address systems, portable

ESIB

S--Pulleys
S--Pumice
E--Pumps, large
S--Pumps, small
S--Punches
E--Punches, electrical
S--Push buttons
E--Pushcarts
S--Putty
E--Pyrometers
S--Quivers, arrow
S--Rackets, badminton
S--Rackets, tennis
I--Racks, bicycle, fixed
E--Racks, bicycle, portable
E--Racks, large stand
E--Radio receiving sets
E--Radio transmitters
S--Radio tubes
E--Radios
S--Raffia
S--Rags
S--Rakes, garden
E--Rakes, window
E--Rams, hydraulic
E--Ranges, cooking
S--Rasps
S--Rattan
S--Reamers
S--Receptacles
S--Record books
S--Record forms
E--Record players
E--Recorders, sound
S--Recording tape and wire
S--Records, phonograph
S--Reeds
S--Reels, hose
S--Reels, motion picture film
E--Reference books
S--Reflectors, parabolic
E--Refracting apparatus
E--Refrigerators
E--Registers, cash
S--Registers, printed
S--Regulating valves
S--Regulators, voltage
S--Relief maps
S--Repair parts
S--Report forms
S--Resistors
S--Respirators
S--Retorts, glass laboratory

ESIB

E--Rheostat
S--Ribbons, adding machine
S--Ribbons, addressing machine
S--Ribbons, cloth
S--Ribbons, typewriter
S--Ringtoss game
E--Rings, boxing
S--Rings, carrom
E--Rings, flying
S--Rings, key
S--Rivets
S--Robes
S--Rock, crushed
S--Roller bearings
S--Rollers, ink
E--Rollers, lawn
S--Roofing materials
S--Rope
S--Rosin
S--Rottenstone
S--Rouge
E--Routers
E--Routers, plate, photoengraving
E--Rowboats
S--Rubber bands
S--Rubber goods
S--Rubbish cans
E--Rugs, room size
S--Rugs, scatter
S--Rulers
S--Rules, shrink and circumference
E--Saccharimeters
E--Safes
S--Safety belts, window-working
S--Safety glass
S--Safety pins
S--Salts
S--Sand
E--Sanders, electric
S--Sandpaper
S--Sandwich boards
S--Sanitary napkins
B--Sanitary systems
S--Sash, combination screen and storm
S--Sash, cords
S--Sash, screen
S--Sash, storm
S--Saucers
S--Saw blades
S--Saw frames
S--Sawdust
E--Sawhorses
E--Saws, band

ESIB

E--Saws, circular
S--Saws, hand
E--Saws, power
E--Saws, power hack
E--Scales, beam balance
S--Scales, draftsmens
S--Scales, spring
S--Scalpels
S--Scissors
S--Scoop shovels, hand
S--Scouring powders
S--Scrapers, hand
S--Screen doors
B--Screens, projection, built-in
E--Screens, projection, movable
S--Screens, window
S--Screw extractors
S--Screw eyes
S--Screw hooks
S--Screwdrivers
S--Screws
S--Scrubbing compounds
E--Scrubbing machines
S--Scythes
E--Sealers, envelope, mechanical
S--Seasonings
E--Seats
E--Sectional bookcases
S--Sedatives
S--Seed, grass
S--Separators, battery
E--Separators, milk
S--Serums
S--Serving trays
E--Settees
I or B--Sewer systems
E--Sewing machines
B--Shades, window
E--Shakers, laboratory
E--Shakers, power
S--Shampoo
E--Shapers, bench and floor
E--Shapers and routers
E--Sharpeners, electrical
S--Sharpeners, pencil
S--Shears, hand-operated
E--Shears, power-operated
S--Sheaves
S--Sheet metal
S--Sheet music
S--Sheeting
S--Shellac

ESIB

S--Shelves, kiln
B--Shelving
S--Shelving materials
S--Shingles
S--Shock absorbers
S--Shoes and boots
S--Shopcoats
E--Shorthand writing machines
S--Shovels, hand
S--Shower fittings
I--Shrubs
S--Shrubs
S--Shuffleboard sets
S--Shuttlecocks
I--Sidewalks
S--Siding, sheet metal
S--Sifters
E--Signs, large
S--Signs, small
S--Silk screen printing apparatus, complete units
S--Silver polishes
S--Silverware
S--Sink fittings
E--Skeletons
S--Skillets
S--Skis
S--Slats
S--Sledgehammers
E--Slicers, bread, mechanical
S--Slide rules
S--Slides, lantern
S--Slides, microscope
S--Slides, projector
S--Snaps
S--Sneakers
S--Snips
S--Snow shovels, hand
S--Soap dispensers
S--Soaps
S--Soccer balls
S--Soccer shoes
E--Socket wrench sets
S--Sockets, wrench
S--Socks, pairs
S--Soda, baking
S--Sodding
S--Softballs
S--Softeners, water, chemical
S--Soil
E--Soil penetrometers
E--Soil test molds

ESIB

S--Soldering coppers
S--Soldering materials
S--Solvents
E--Sound recorders
B--Sound systems
S--Spades
S--Spading forks
E--Spark plug cleaning machines
S--Spark plugs
S--Spatulas
S--Specimens, laboratory
E--Spectroscopes
E--Sphygmomanometers
S--Spikes
S--Spirits
E--Spirometers
S--Splints
S--Spokes
S--Spokeshaves
S--Sponges
S--Spoons
S--Spotlights
S--Spray mixtures
S--Sprayers, hand
E--Sprayers, power
E--Spreaders, manure
E--Spreaders, tire
S--Spreads, bed
S--Springs
S--Springs, furniture
S--Sprinklers, lawn, movable
E--Sprinklers, lawn, traveling
I--Sprinkling systems, lawn
S--Sprockets
S--Squares
S--Squeegees
E--Stacks, book
E--Stadia rods
E--Stadiometers
S--Staff liners, music
S--Stain removers
S--Stains
S--Stakes
S--Stamp pads
E--Stamping machines, power
S--Stamping machines, small hand
S--Stamps, rubber
E--Standards, jump
S--Stands, calendar
E--Stands, chart
E--Stands, dictionary
E--Stands, engine repair
E--Stands, umbrella

ESIB

E--Staplers, foot- or power-operated
S--Staplers, small hand
S--Staples
S--Starch
S--Starters, electric
S--Stationery
E--Statuary
E--Steam vapor cleaners
S--Steam packing
S--Steel measuring tapes
S--Steel, sheet
S--Steel wool
S--Stencil correction fluid
S--Stencils
S--Stenographers notebooks
E--Stereoscopes
S--Sterile gauze
E--Sterilizers
S--Sticks, composing
S--Sticks, hockey
S--Stilts, sport
E--Stitchers
S--Stock records
S--Stockings
E--Stones, printers
E--Stools
S--Stop watches
S--Stoppers
S--Stops, bench
S--Storage batteries
I--Storm drain systems
E--Stoves
S--Straightedges
S--Strainers
S--Straws, drinking
S--Stretchers
S--Strings
E--Striking bag outfits
S--Styluses
S--Sunglass frames
S--Sunglasses
E--Supply cases
S--Supporters, athletic
S--Surface hardened blocks
S--Surgical instruments, small
S--Surgical powders
S--Swages
E--Sweepers, carpet, electric
S--Sweepers, hand
S--Switch boxes
S--Switches, electric
S--Synchronizers, camera
S--Syringes

ESIB

S--Syrup
S--Table protectors
S--Table tennis balls
S--Table tennis rackets
S--Tablecloths
S--Tableware
E--Tables
S--Tables, computing
S--Tablets, medicinal
S--Tablets, writing
S--Tabs, index
E--Tabulating machines
S--Tack hammers
S--Tackling dummies, football
S--Tacks
S--Tags
S--Talcum powder
E--Tanks, bulk storage
S--Tape
S--Tape measures
S--Tapes, measuring
S--Taps
S--Tar roofing and siding
S--Targets, archery
S--Team uniforms
S--Telephone systems
E--Television cameras
E--Television sets
S--Television tubes
S--Tennis balls
S--Tennis court nets, cord
E--Tennis court nets, steel
S--Tennis rackets
E--Tents, wall
S--Tents, shelter
S--Terminals, battery
S--Test tube brushes
S--Test tube racks
S--Test tubes
S--Tests, achievement
S--Textbooks
S--Theatrical costumes
E--Theodolites and tripods
E--Thermographs
S--Thermometers
S--Thermostats
S--Thimbles
S--Thinners
S--Threads
S--Throat applicators
S--Thumb tacks
S--Tickets

ESIB

S--Tile, drain
E--Time clocks, watchmens
E--Timers, large
S--Timers, small
S--Tin cans
S--Tin cutters
S--Tinware
S--Tire chains
S--Tires and tubes
S--Tissues, cleansing
E--Toasters, electric
S--Toggle bolts
S--Toilet paper
S--Tokens
S--Tongs
S--Tongue depressors
E--Tool sets, hand
S--Tools, hand, not in sets
E--Tools, power
I--Topsoil
S--Tow bars
S--Towels
E--Toys, large
S--Toys, small
S--Tracing cloth
S--Tracing paper
E--Tractors
S--Trammels
E--Trampolines
S--Transformers, laboratory
E--Transit, engineers
S--Tranmissions, integral parts of larger units
E--Transmissions, not integral parts of larger units
E--Transmitters
S--Trays
I--Trees
E--Trees, hall
S--Triangles, drafting
S--Trimmers, hedge, hand
E--Trimmers, hedge, power
E--Tripods
S--Trophies
S--Trowels
E--Truck chassis
E--Trucks, hand
E--Trucks, motor
S--Tubes, inner
S--Tubes, radio
S--Tubes, television
S--Tubing materials

ESIB

S--Tumblers, glass
S--Tuning forks
E--Tunnels, models, wind
I--Turf
S--Turpentine
S--Tweezers
S--Twine
E--Type cases
E--Type casting machines
S--Type cleaner
S--Type liners
S--Type, matrix
S--Type, printing
S--Typewriter brushes
S--Typewriter covers
E--Typewriter desks
S--Typewriter ribbons
E--Typewriters
E--Umbrella stands
S--Unquents
S--Uniforms
S--Upholstering materials
E--Urns, coffee
S--Urns, flower
S--Utensils
S--Vacuum bottles
E--Vacuum cleaners
E--Vacuum tube voltmeters
S--Valve parts
E--Valves, large, automatic
S--Valves, small
S--Vaporizers, electric
S--Varnish driers
S--Varnish removers
S--Varnishers
S--Vases
S--Vaulting poles
S--Vegetables
E--Vending machines
B--Ventilating systems
E--Vessels, large
S--Vessels, small
E--Vibrographs
E--Video cameras
E--Video recorders
S--Video tapes
S--Vines
E--Vises, bench
S--Vises, small hand
S--Vision charts
S--Volleyball nets
S--Volleyballs

ESIB

E--Voltmeters
E--Wagons
S--Wall brushes
S--Wallboard
S--Wallpaper
I--Walls, retaining
S--Washbasins
S--Washcloths
E--Washers and/or dryers
S--Washers, rubber and leather
E--Washers and dryers, photographic
E--Washing machines
S--Washing powders
S--Washtubs
S--Waste, machinists
S--Wastebaskets
S--Watch crystals
S--Watches, stop
E--Watchmens time clocks
E--Water coolers
S--Water, distilled
S--Water glasses
E--Water meters, laboratory type
S--Water softeners
B--Water systems
S--Watercolor brushes
E--Wattmeters, laboratory type
E--Wavemeters and wave analyzers
S--Wax crayons
S--Waxes, liquid
S--Waxes, paste
S--Waxes, sealing
E--Waxing machines
E--Weaving machines
E--Weighing scales, beam
S--Weighing scales, small spring
S--Weights
E--Welding apparatus
S--Welding rods
E--Wheel straightening apparatus
E--Wheelbarrows
S--Wheels, automobile
S--Wheels, emery
E--Wheels, pottery
S--Whetstones
S--Whiskbrooms
S--Whistles
S--Window glass
S--Window screens
S--Window shades
S--Window-working safety belts
S--Wipers

ESIB

S--Wire
S--Wood fillers
S--Wood, plastic
S--Wood preservatives
S--Wood stains
S--Wool
S--Wool, glass
S--Wool, steel
E--Work benches
E--Work tables
S--Wrapping paper
E--Wrenches, in sets
S--Wrenches, not in sets
S--Wringers, cloth
E--Wringers, mop, large
S--Wringers, mop, small
E--Writers, check
S--Writing paper
E--X-ray machines
E--Yard benches
S--Yard brooms
S--Yardsticks
S--Yarn
S--Zinc

APPENDIX E

STORES SYSTEM PROCEDURES, CONTROLS, AND ACCOUNTING

Rev. 2/76

APPENDIX E

STORES SYSTEM PROCEDURES, CONTROLS, AND ACCOUNTING

A central stores system enables a Community College district to take advantage of the economies of quantity buying and to fill requisitions for standard supplies promptly. However, no set rules can be established to determine when it would be to the best interest of a district to adopt a stores system. Availability of material, facilities for storing and delivering merchandise, and the size and number of plants in a district all must be taken into consideration. Costs of receiving, storing, and delivering stock items, as well as costs of stock control, should be included in the total cost of a stores system (as compared to the cost of direct purchasing) in deciding on the desirability of the stores system.

Accounting For Stores

Payments for the purchase of "stores" (see Part V of this manual), defined as goods on hand in central storerooms subject to requisition, are similar to expenditures but are not classified as such. These payments constitute the increase of an asset account, Stores, equal to the reduction in another asset account, Cash in County Treasury.

The issuance of stores must be accounted in the records of the district as a reduction of the asset account, Stores, and as a charge to the appropriate expenditure object and program for which the stores were issued. Such accounting should be continuous in the records of the district, and, to the extent that the county superintendent of schools maintains corresponding records, summaries of the issuance of stores shall be reported to the county superintendent by the district periodically, preferably not less frequently than monthly. In any event, the balance in the Stores account at the end of each fiscal year should represent the value of the stores in the warehouse of the district.

OPTIONAL METHODS OF FINANCING, ACCOUNTING, AND CONTROLLING

Either of two accounting methods may be used:

Stores Account Method

The establishment and maintenance of a stores system by the use of a Stores account carried within the General Fund is a long-established practice. Stores accounts may also be maintained within other funds.

Revolving Fund Method

Education Code Sections 21351-21355 authorize and prescribe procedures for the establishment of a revolving warehouse stock fund for Community College districts. Permission is also given for two or more districts to establish a common revolving fund for this purpose. The amount of the revolving fund shall not exceed

an amount from the General Fund of the district or districts equal to the average daily attendance of the district or districts for the next preceding year multiplied by fifteen dollars ($15.00) plus such amounts as the governing board or governing boards may appropriate from other funds of the district or districts, as outlined in Education Code Sections 21351-21355.

TYPES OF SUPPLIES IN A STORES SYSTEM

Items purchased for a stores system should be those that are used in sufficient quantity to justify the cost of establishing them as stock items. Initial purchase of a new item should be conservative as to quantify to test its turnover, thereby establishing a basis for determining the quantity needed. Committees composed of users of the various items can be helpful in determining standard items to be warehoused and in encouraging their use. The types of items most frequently stocked are included in the list that follows:

Instructional supplies, including paper, pencils, chalk, paste, art supplies, and the like

Office supplies, including typewriter ribbons, duplicating supplies, desk files, and the like

Custodial supplies

Maintenance supplies, including lumber, small tools, electrical supplies, paints, sandpaper, and the like

NOTE: Many of these items are frequently requisitioned for use in the college shops. Sometimes it is necessary to carry more than one quality of supply for this purpose.

Food and related supplies

Printed forms

Equipment (When it is known that items such as typewriters, scrubbing machines, and the like will be needed in the near future, it is sometimes economical to purchase this equipment in quantity. It is not recommended that equipment items such as these be maintained on a minimum-maximum basis as are items of supply.)

ESSENTIALS OF A STORES SYSTEM

The essential features to be provided in connection with the establishment and operation of a stores system are presented in this section.

Devices for Control of Purchases

Provision for numbering, cataloging, and standardizing stock items. Printed catalogs that list all items by stock number, unit of issue, description, and unit cost should be available to all who will requisition them from the warehouse. The catalog should preferably be loose-leaf to allow for replacing pages in the event of substitutions, additions, or deletions.

Provision for the addition or deletion of stock items. A special form may be used to notify all departments concerned of the necessary information regarding the action taken.

Provision for minimizing losses because of obsolescence. Special committees can be helpful in giving information in advance on planned changes in curriculum which will affect the use of supplies already stocked. If it is known that a change is planned, supplies to be discontinued can be allowed to run out without reordering when the stock drops to the minimum.

Control of maximum and minimum stock balances. Care should be exercised in the setting of maximum and minimum quantities. Continual study of stock activity and periodic readjustment of the limits set are required because of such conditions as growth, grade levels of users, changes in curriculum, changes of personnel placing requisition, storage capacity, and the like. Some items will deteriorate when stored too long; this factor should be considered when placing orders. Very small, inexpensive items should be ordered in adequate supply for anticipated need; more expensive items should be ordered according to conservative estimates of need.

Records of Perpetual Inventory

Individual cards or records that contain the following information should be kept for each item stocked:

1. Identifying stock number
2. Specification of unit of issue
3. Description of item
4. Unit price
5. Posting references: date, document number, and the like
6. Receipts in terms of stock units
7. Issues in terms of stock units
8. Balances on hand in terms of stock units

NOTE: The following additional information on the stock records may be desirable: (1) minimum and maximum quantities to be stocked; (2) reference to vendors from whom stock is purchased; (3) memoranda of orders placed; (4) memoranda of unfilled requisitions; (5) reference to warehouse location of item if the identifying stock number cannot be used for this purpose; and (6) provision for values of receipts, issues, and balances on hand.

Verification by Physical Inventory

Provisions should be made for at least an annual count of all items stocked. This can be done on a cyclical basis with a portion of the total stock inventoried each period. This count should be made by persons other than warehouse personnel. In the event warehouse personnel are used to take the count, the record should be spot-checked by persons other than those responsible for stock. A common practice is for the firm performing the district audit to make the spot checks.

Security Control and System of Internal Checks

In planning the stores system provisions should be made for adequate security of stock and a system of internal checks. Buildings used for warehouse storage should be as fireproof as possible and should have adquate locks. Only specified personnel should be allowed to issue stock. Preferably, the stock records should be maintained in an office other than the warehouse (stock records are commonly maintained in the accounting or purchasing offices). At inventory time or other periodic checkup time, any difference between the book record and actual quantity count should be investigated and necessary adjustments made.

Planned Procedures for Receiving and Issuing

1. Items to be stocked should be purchased by means of an official district purchase order issued in compliance with the Education Code and the district's policies covering bidding and purchasing. An "on order" notation may be made on the individual stock control records at this point. On receipt of merchandise, the items should be counted and inspected for condition and compliance with specifications. The signed receiving copy of the purchase order or other reciving document authorizes payment to the vendor and charge of the cost of the merchandise to the Stores account. Either the receiving document or the payment warrant may be used as the basis for entering receipt of stock by quantity and value on the stock control records affected by the purchase.

2. Stores should be issued only upon the authority of a properly approved, prenumbered requisition, which should give the following information:

   Source and date of requisition
   Delivery instructions
   Account or accounts to be charged
   Provision for approvals as to budget, items allowed, quantities and the like
   Provision for posting reference
   For each item: quantity ordered, unit, stock number, description, unit price, total amount; and on each requisition, columns for noting substitutions, back orders, and the like
   Provision for evidence of receipt and date of delivery. A multiple copy snap-out form is commonly used for warehouse issues, with copies of each transaction going to the requisitioner, the warehouseman, and the recording office. Posting is done from this document to the stock control records.

   NOTE: The term "requisition" as used here should be understood to include requisitions, billings, stores invoices, or similar documents for use by certain districts that find it desirable to use additional documents between the time of preparation of the requisition for the materials and the actual delivery of these materials to the college or department requesting them.

Lines of Authority and Responsibility of Personnel

Lines of authority and responsibility should follow a logical plan and be clear-cut and definite.

NOTE: In planning the establishment of a stores system, consideration should be given to the location of the warehouse or warehouses and to the transmittal of documents between the warehouse and the accounting office. The space requirements, physical requirements of proper storage, and arrangement of stock items should be determined in advance. Stored items should be arranged when possible in an order corresponding to their order on standard supply lists.

ACCOUNTING FOR A STORES SYSTEM

Accounting for a stores system may be done by employing (1) the stores account method; or (2) the revolving fund method.

Stores Account Method

The stores account method provides for the establishment of a Stores account within the General Fund. Stores accounts may also be established within other funds of the district. Payments for the purchase of stores are not classified as expenditures; these payments constitute an increase of the asset account, Stores, equal to the reduction in another asset account, Cash in County Treasury. The issuance of stores should be recorded as a reduction of the asset account, Stores, and as a charge to the appropriate expenditure account for which the stores were issued. Such accounting may be continuous, or summaries of stores issuance may be made periodically, preferably at least monthly, and the total credited to the Stores asset account. Charges to the various expenditure accounts for which the stores were issued would be made at this time in summary. To the extent that the county superintendent of schools maintains corresponding records, summaries of the issuance of stores should be reported to the county superintendent of schools periodically. The remainder of the Stores account should represent the inventory value of merchandise in the warehouse.

When goods are purchased for stores without the use of a revolving fund, budget control of expenditures occurs at the time of issuance of such merchandise and not at the time of purchase. Uncontrolled purchasing may result in an unnecessary and excessive investment in stores and a serious depletion of cash needed for other budget purposes. The establishment of the Stores account should follow, not precede, the budgetary authorization, which is made by entry of the intended amount in the budget under Ending Balance. Once established, the actual balance of the Stores account should appear in the budget under Beginning Balance; and the same amount, or a deliberately chosen larger or smaller amount, should be entered under Ending Balance. Procedures for the control of purchases should be established so that, considering existing inventory and carefully prepared estimated distributions, an ending inventory will not exceed the investment in stores as indicated in the budget.

Revolving Fund Method

A revolving fund is a separate fund established in accordance with Education Code section 21351-21355. Payments for purchases of stores are made by warrants drawn on the Revolving Fund for Warehouse Stock. The district buys merchandise from the fund and makes payments by warrants drawn payable to the Revolving Fund for Warehouse Stock. The county treasury is the depository for cash. This revolving fund plan provides a semiautomatic control of the amount invested in stores.

Accounts for the Revolving Fund for Warehouse Stock include Cash in County Treasury, Accounts Receivable, Stores, Current Liabilities, and Reserve for Working Capital. These accounts are self-balancing because the initial value of the fund remains constant unless changed by board action. The balances in the accounts always reflect a fixed amount, whether it be in stock or cash or a combination of both, including receivables and liabilities. The same fixed amount shall be recorded at year-end on official budget forms and reports under the Stores account as a part of Beginning Balance and Ending Balance.

TYPICAL COSTS OF RECEIVING, WAREHOUSING, AND DISTRIBUTION IN CONNECTION WITH A CENTRAL STORES SYSTEM

Costs of receiving, warehousing, and distributing stores items, in addition to the cost of merchandise, should be charged to the Stores account. These overhead expenses should ultimately be charged to the several expenditure accounts to which merchandise costs are charged in proportion to the cost of the merchandise. The procedure used is not important if the results are equitable. Use of one or more subsidiary expense accounts is common practice.

One method is to add an estimated overhead charge to merchandise unit prices, adjusting it as needed from time to time. This method provides a total unit charge for each item and avoids the possibility of delayed overhead charges to appropriations that have become exhausted.

Another method is to distribute estimated overhead charges to expenditure accounts on an encumbrance basis at the beginning of a fiscal year. Such charges are to be determined on the basis of anticipated stores issues to the several expenditure accounts. At the close of the year, or periodically, the encumbrances may be liquidated and the actual overhead expense charged.

Whatever method is used, overhead charges should be cleared at the end of each fiscal year so that the Stores account will represent only the value of the inventory of material on hand.

Charges and credits to the Stores account and subaccounts should include the costs of receiving, storing, and delivering in addition to the direct merchandise costs (cost of item, sales tax, postage, freight, cartage, and other delivery charges to the warehouse), as follows:

1. Salaries of personnel (storekeeper and others) directly related to the warehouse
2. Supplies used in connection with receiving and warehouse recordkeeping.
3. Rent of space, facilities, and equipment
4. Utilities
5. Direct expense of trucking
    a. Gas and oil
    b. Grease
    c. Repairs
    d. Tires and tubes
    e. Accessories
    f. Other expenses

NOTE: When trucks are used for several purposes other than the delivery of stores, such costs may be distributed by job cost accounting or by any other equitable method.

6. Adjustments to Stores account
Periodically, or at the end of the fiscal year, it may be necessary to adjust the Stores account, after proper administrative review and approval, for reasons and in the manner described below.

a. Discrepancies between the quantity of items as shown on the individual stock records and the actual physical count of merchandise in the warehouse may result from errors in stock issues or in the maintenance of perpetual inventory records. Such discrepancies must be adjusted on the individual stock records and will result in a debit (increase) or credit (decrease) to the value of the Stores account.

b. Differences also may occur between the balance of the Stores account and the value of merchandise on hand, as shown on the individual stores records, resulting from the method of unit pricing employed. Adjustments for this reason will result in a debit (increase) or credit (decrease) to the value of the Stores account.

c. Periodically, stock must be removed from the warehouse because of deterioration, obsolescence, and the like. Either the regular warehouse requisition or a special form may be used. This form should be approved by someone with authority to authorize the disposition of such merchandise. Value of the stock removed should be charged to a subaccount under Stores, to be included in other costs of overhead for future distribution to expenditure accounts. Individual stock records should be adjusted to reflect these issues.

APPENDIX F

ACCOUNTING TERMINOLOGY

Rev. 2/76

APPENDIX F

Accounting Terminology

Abatement. The return of part or all of an item of income or expenditure to its source during the current fiscal year.

Accounting period. A period of time for which records are maintained and at the end of which financial statements are prepared covering the period.

Account numbers or letters. Numbers and/or letters assigned to the ordinary titles of accounts for classification of accounts and ease of reference.

Accounts payable. Amounts due and owing to private persons, business firms, governmental units, or others for goods and services purchased prior to the end of the fiscal year. Includes amounts billed but not paid.

Accounts receivable. Amounts due and owing from private persons, business firms, governmental units, or others for goods and services sold prior to the end of the fiscal year. Includes amounts billed but not received.

Accrual basis. That method of accounting in which income is recorded when earned, even though not collected, and expenditures are recorded when the liabilities are incurred but not yet paid.

Activity. An act, service or group of services proper to an institution and aimed at accomplishing a certain end.

Ad valorem tax. A tax based on a percent of the value of goods or services.

Allocation. Division or distribution according to a predetermined plan.

Allowance. A provision for valuing an asset at net, such as an allowance for bad debts. This valuation account will net accounts receivable to reflect collectable receivables.

Allowances. Sums granted as reimbursement for expenses or services rendered.

Apportionment. Allocation of state or federal aid, district taxes, or other monies among community college districts or other governmental units.

Apportionment notice. A document notifying community college districts when monies have been deposited with the county treasurer.

Appraisal. An estimate of property value made by the use of systematic procedures based upon physical inspection and inventory, engineering studies, and other economic factors.

Appropriation. An allocation of budgetary funds made by the governing board for specific purposes and limited as to the time when it may be expended.

Appropriation for contingencies (formerly termed undistributed reserve). That portion of the current fiscal year's budget that is not appropriated for any specific purpose but is held subject to intrabudget transfer; i.e., transfer to other specific appropriations as needed during the fiscal year.

Appropriation ledger. A record containing an account with each item allocated or budgeted. such accounts usually show the amount originally appropriated, transfers to or from the appropriation, amounts charged against the appropriation, the encumbrances, the unencumbered balance, and other related information.

Assessed Valuation. Value placed upon personal and real property by a governmental unit for taxation purposes.

Assets. Anything owned that has value-tangible or intangible. (See also current assets and fixed assets.)

Audit. An examination of documents, records, and accounts for the purpose of (1) determining the propriety of transactions; (2) ascertaining whether all transactions are recorded properly; and (3) determining whether statements drawn from accounts reflect an accurate picture of financial operations and financial status.

Available cash. Cash on hand or on deposit in a given fund that is unencumbered and can be utilized for meeting current obligations.

Available surplus. That portion of the excess of assets over liabilities not obligated for current appropriations or for restricted purposes. (See also unappropriated fund balance.)

Average daily attendance (a.d.a.). Average Daily Attendance is the unit which is used as the basis for computation of state support for California Community Colleges. One requirement of state law is that the regular day college must be maintained not less than three hours per day per five-day school week for 35 weeks (175 days times 3 hours per day equals 525 hours).

For graded classes, the contact hours of enrollment as of Monday of the fourth week of a semester or quarter times a statewide factor with the product divided by 15 determines the average daily attendance for that period. The average daily attendance for the year is determined by adding the quotients for each semester and dividing the sum by two, and adding the quotients for each quarter and dividing the sum by three.

For ungraded classes, a daily head count is required, and for apportionment purposes the sum of the class hours of attendance for the year is divided by 525 to arrive at the number of units of average daily attendance to be credited to a Community College district.

Balance sheet. A statement that shows assets, liabilities, reserves, and fund balance or fund deficit of an entity at a specific date and is properly classified to exhibit the financial condition of the entity as of that specific date.

Bond. A certificate containing a written promise to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and specifying interest at a fixed rate, usually payable periodically.

Bond discount. The excess of the face value of a bond over the price for which it is acquired or sold. (The price does not include accrued interest at the date of acquisition or sale.)

Bond interest and redemption fund. A fund established to pay bond interest and liquidate indebtedness when due and payable.

Bond premium. The excess of the price at which a bond is acquired or sold over its face value. (The price does not include accrued interest at the date of acquisition or sale.)

Bonded debt. That portion of indebtedness represented by outstanding bonds.

Bonded debt service. Expenses incurred for interest and redemption of bonds.

Bonds authorized and unissued. Legally authorized bonds that have not been sold and that may be sold without the necessity of holding another election.

Budget. A plan of financial operation consisting of an estimate of proposed income and expenditures for a given period and purpose.

Budget document. The instrument used by the budget-making authority to present a comprehensive financial program of the governmental unit. It includes a balanced statement of revenues and expenditures as well as other exhibits to report (1) the financial condition of the several funds of the governmental unit at the end of the preceding completed fiscal period; (2) the estimated condition of the funds at the end of the fiscal period in progress; and (3) the estimated condition of the funds at the close of the ensuing fiscal period based on the financial proposals contained in the budget document.

Budgetary accounts. Accounts that reflect budget operations; i.e., estimated income, appropriations, and encumbrances distinct from the proprietary accounts.

Budgetary control. The management of business affairs in accordance with an approved plan of estimated income and expenditures.

Budgeting. The process of allocating the available resources of an organization among potential activities to achieve the objectives of the organization; planning for the use of resources.

Building fund. A fund established to control the income and expenditures related to the purchase and maintenance of buildings, sites, and equipment.

Cafeteria account. Receipts and disbursements of the cafeteria function that are processed through a bank.

Cafeteria fund. Receipts and disbursements of the cafeteria function that are processed through the county treasurer.

Capital assets. See fixed assets.

Capital outlay. Amounts paid for the acquisition of fixed assets or additions to fixed assets, including land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

Cash. Currency, checks, postal and express money orders, and banker's drafts on hand or on deposit with an official or agent designated as custodian of cash; and bank deposits. Any restriction or limitations as to the availability of cash should be indicated.

Cash advance. Cash apportioned in advance of the usual apportionment period.

Cash basis. Method of accounting in which income and expenditures are recorded only when cash is actually received or disbursed.

Cash collections awaiting deposit. Receipts on hand or monies in a bank clearing account awaiting deposit in the county treasury.

Cash discount. An allowance made on a purchase if paid within a stated period. (The term is not to be confused with trade discount.)

Cash in bank. Balances in separate bank accounts such as student body accounts, adult education incidentals, college farm accounts, and cafeteria accounts.

Cash in county treasury. Cash balances on deposit in the county treasury for the various funds of the school districts.

Chart of accounts. A list of accounts, systematically arranged, applicable to a specific concern. All account names and numbers, if any, are listed in order.

Check. A bill of exchange drawn on a bank payable on demand; a written order on a bank to pay on demand a specific sum of money to a named person, to his order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that a warrant is not necessarily payable on demand and may not be negotiable; it differs from a voucher in that a voucher is not an order to pay. A voucher-check combines the distinguishing marks of a voucher and a check; it shows the propriety of a payment and is an order to pay.

Child development fund. A fund established to control the financial operations of children's centers.

Classification. The naming or identification of an item or a category, such as the designation of the particular account into which a receipt or expenditure is to be recorded, or the separation of data into acceptable groupings so that financial facts can be stated more accurately.

Clearing accounts. Accounts used to accumulate total receipts or expenditures for later distribution among the accounts to which such receipts or expenditures are properly allocable or for recording the net differences under the proper account. (See also revolving cash fund, prepaid expenses, and petty cash.)

Code. (1) A distinguishing reference number or symbol. (2) A statement of the laws of a specific field; e.g., Education Code, Penal Code, Civil Code, and Labor Code.

Collier Factor. A ratio developed for each county by the State Board of Equalization for the purpose of adjusting to the statewide average the assessed value of the local property rolls in relation to the market value thereof.

Contingent liabilities. Items that may become liabilities as a result of conditions undetermined at a given date; e.g., guarantees, pending lawsuits, judgments and appeals, and unsettled disputed claims.

Contracted services. Expense of services rendered under contract by personnel who are not on the payroll of the school system, including all related expenses covered by the contract.

Controlling account. A summary account, usually maintained in the general ledger, in which is entered the aggregate of the debit and the credit postings to a number of identical, similar, or related accounts called subsidiary accounts. Its balance equals the sum of the balances of the detail accounts.

Cost. The amount of money or its equivalent value paid or agreed to be paid for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is assumed. Ultimately, however, money or its equivalent must be given in exchange. The cost of some property or service may in turn become a part of the cost of another property or service. For example, the cost of materials purchased will be reflected in the cost of articles made from such materials.

Credit. The right side of a double-entry posting. The credit will reduce assets and expenditures and increase liabilities, income, and fund balance.

Current assets. Assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities.

Current Expense of education. The current general fund operating expenditures of a community college district excluding expenditures for food services, community services, and object classifications 6000 and 7000 (except 7150, Current Expense for Regional Occupational Centers or Regional Occupational Programs).

Current liabilities. Amounts due and payable for goods and services received prior to the end of the fiscal year. Current liabilities should be paid within a relatively short period of time, usually within a year.

Current loans. A loan payable in the same fiscal year in which the money was borrowed.

Debit. The left side of a double-entry posting. The debit will increase assets and expenditures and reduce liabilities, income, and fund balance.

Debt limit. The maximum amount of bonded debt for which a community college district may legally obligate itself.

Debt service. Expenditures for the retirement of debt and for interest on debt, except principal and interest on current loans.

Deferred charges. Expenditures not chargeable to the period in which they are made but set up as assets to be eliminated by charges as expenditures in subsequent periods.

Deferred income. Income unearned in a given period but set up as a liability to be included as income earned in subsequent periods.

Deficit. Excess of liabilities over assets.

Delinquent taxes. Taxes remaining unpaid after the close of the year in which levied. (See also prior year's taxes, in most cases the preferred term.)

Depreciation. Estimated loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy, or obsolescence.

Designated income. Income received for a specific purpose.

Development Center for Handicapped Minors Fund. A fund established to control the financial operations of development centers for handicapped minors.

Direct expenses or costs. Expenses that can be separately identified and charged as a part of the cost of an activity, a product, service, or department.

Direct support charges. Charges for a support program and services that directly benefit other programs.

Disbursements. Payments by currency, check, or warrant. (The term is not synonymous with expenditures.)

Double entry. A system of bookkeeping that requires an amount credited for every corresponding amount debited. Thus, the double-entry ledger maintains equality of debits and credits.

Earned interest income. A sum of money received or due to be received for the use of money loaned or invested.

Employee benefits. Amounts paid by the school system on behalf of employees; these amounts are not included in the gross salary, but are over and above. They are fringe benefit payments; and while not paid directly to employees, they are nevertheless a part of the cost of salaries and benefits. Examples are (1) group health or life insurance payments; (2) contributions to employee retirement; (3) O.A.S.D.I. (Social Security) taxes; (4) workmen's compensation payments.

Encumbrances. Obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved.

Endowment fund. A fund from which the income may be withdrawn but the principal sum of which must remain intact or be accounted for in accordance with the terms of the trust document.

Entitlement. An estimate of an apportionment based on specific qualifications.

Estimated income. Expected receipts or accruals of monies from revenue or non-revenue sources during a given period.

Expenditures. Amounts paid or liabilities incurred for all purposes. Accounts kept on an accrual basis include all charges whether paid or not. Accounts kept on a cash basis will include only actual cash disbursements. (See Part III of this manual.)

Face value. As applied to securities, the amount stated in the security document.

Fees. Amounts collected from or paid to individuals or groups for services or for use of college or other facilities.

Fidelity bond. A form of insurance that provides for the indemnification of the district or other employer for losses arising from the theft or dishonesty of employees.

Fiscal year. A period of one year, the beginning and ending dates of which are fixed by statute; in California, the period beginning July 1 and ending June 30.

Fixed assets. Assets of a permanent character having continuing value; e.g., land, building, machinery, furniture, and equipment. The term capital assets is sometimes used in the same sense, but fixed assets is preferred.

Full-time equivalent. The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of employed time required in the part-time position by the amount of employed time required in a corresponding full-time position.

Functional accounting. A system of accounting in which records are maintained to accumulate income and expenditure data by purpose and usually are further classified within generalized functional areas such as instruction, administration, or operations.

Fund. A sum of money or other resources set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A fund is a distinct financial or fiscal entity.

Fund balance. The difference between assets and liabilities.

Funded debt. See bonded debt, the preferred term.

General fund. The fund used to finance the ordinary operations of the district. It is available for any legally authorized purpose.

General ledger. A book, file, or other device in which accounts are kept to the degree of detail necessary to summarize the financial transactions of the community college system. General ledger accounts may be kept for any group of items of receipts or expenditures on which an administrative officer wishes to maintain a close check.

General purpose tax rate. Tax rate authorized by legislative statute or by an election held in the community college district for the purpose of acquiring tax income for the general operation of the school district.

General reserve. An account to record the reserve budgeted to provide operating cash in the succeeding fiscal year until taxes and state funds become available.

Gift. Anything of value received from any source for which no repayment or service to the contributor is expected.

Grade level. Assigned classification of students.

Grant. A contribution, either in money or material goods, made by one entity to another. Grants may be for specific or general purposes.

Grants-in-aid. Outright donations or contributions, usually by a superior governmental unit, without the prior establishment of conditions with which the recipient must comply.

Holding accounts. Ficticious program accounts used temporarily to accumulate costs that will ultimately be charged to other using programs.

Income. Revenue and nonrevenue receipts. Revenue receipts are additions to assets for which no obligations are incurred. Nonrevenue receipts are receipts of money in exchange for property of the district or for which the district incurs an obligation.

Indirect expense and overhead. Those elements of indirect cost necessary in the operation of the district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be separately identified.

Indirect support charges. Routine services not performed as a special service for a particular program but allocated to using programs.

In lieu of taxes. Income to replace the loss of tax revenue resulting from property exempted from taxation.

Interest. A fee charged a borrower for the use of money.

Interfund accounts. Accounts in which transactions between funds are reflected.

Interfund transfers. Money that is taken from one fund under the control of the local governing Board and added to another fund under the board's control. Interfund transfers are not receipts or expenditures of the community college system.

Internal audit. An examination made by school district employees whose duty it is to make continuous or periodic checks on the reliability of the school district's accounting and reporting procedures.

Internal control. A plan of organization under which employees' duties are so arranged and records and procedures so designated as to provide a system of self-checking, thereby enhancing accounting control over assets, liabilities, income, and expenditures. Under such a system the employee's work is subdivided so that no one employee performs a complete cycle of operation; such procedures call for proper authorization by designated officials.

Intrabudget transfers. Amounts transferred from one appropriation account to another within the same fund.

Inventory. A detailed list showing quantities and description of property on hand at a given time. It may also include units of measure, unit prices, and values.

Investments. Disbursements of cash for the purpose of generating income.

Investment in fixed assets. The book value of fixed assets.

Invoice. An itemized statement of charges for merchandise sold or services rendered to the purchaser.

Job account. An account established to record the accumulation of costs of a specific piece of work; work orders showing charges for material and labor used.

Journal. Any accounting record in which the financial transactions of the community college district are formally recorded for the first time; e.g., the cash receipts book, check register, and journal voucher.

Journal voucher. A form provided for the recording of certain transactions or information in place of, or supplementary to, the journal or registers.

Judgments. Amounts due to be paid or collected by the community college district as the result of court decisions.

Ledger. A group of accounts in which are recorded the financial transactions of a governmental unit or other organization. (See also general ledger and appropriation ledger.)

Level. A division of the management levels described by the program structure of the district.

Levy. The imposition of taxes or special assessments for the support of governmental activities; also, the total amount of taxes, special assessments, or service charges imposed by a governmental unit.

Liabilities. Legal obligations (exclusive of encumbrances) that are unpaid.

Long-term loan. A loan that extends for more than five years from the date the loan was obtained and is not secured by serial or term bonds.

Lump-sum appropriation. An appropriation made for a stated purpose or for a named unit without the amounts that may be spent for particular object classifications being specified.

Modified assessed valuation. Local assessed valuation adjusted by application of a ratio known as the Collier Factor and other factors when applicable; e.g., motion picture, Redevelopment Agency, and so forth.

Modified cash basis (modified accrual basis). Any method of accounting that combines the concepts of cash basis accounting with those of accrual accounting.

Multiyear financial plan. A plan that presents financial estimates of programs in tabular form for a period of years. These estimates whould reflect the future financial impact of current decisions. The data in the MYFP should be organized along the lines of the program structure.

Object. As used in an expenditure classification, a term that applies to the article purchased or the service obtained.

Obligations. Amounts that the community college district may be legally required to meet out of its resources. They include not only actual liabilities but also unliquidated encumbrances. (See also liabilities.)

Order (for payment). A written demand of the governing board of a community college district requiring the county superintendent of schools to draw his requisition on the county auditor for the payment of a claim against the school district.

Overdraft. The amount by which checks, drafts, or other demands for payment on the treasury or on a bank account exceed the amount of the balance upon which they are drawn; or the amount by which encumbrances and expenditures exceed the appropriation to which they are chargeable.

Overhead. Elements of indirect cost necessary in the operation of the community college district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily and accurately.

Override tax rate. A tax rate levied at the discretion of the community college district board for a specific purpose. The tax income received from this source may be used only or the designated purpose. Override tax rates may be levied in addition to the general purpose tax rate.

Par value. The price at which securities are issued.

Payroll register. A document accompanying one or more orders on a community college district fund for the payment of salaries or wages to employees that contains the names of such employees and provides information substantiating such orders.

Payroll warrant. A document used as an order or a requisition on funds of a community college district for the purpose of paying salaries or wages.

Personal property. All property except real estate.

Petty cash. A sum of money set aside for the purpose of making change or immediate payments of small amounts. (See also revolving cash fund.)

Prepaid expenses. Items for which payment has been made but for which benefits have not been realized as of a certain date; e.g., prepaid rent, prepaid interest, and premiums on unexpired insurance. Benefits and corresponding charges to expenses will be borne in future accounting periods.

Prior years' taxes. Taxes collected within the current fiscal year for levies in previous fiscal years.

Program (noun). A group of related activities consisting of a unique combination of objects that operate together to accomplish common ends.

Program accounting. A system of accounting in which records are maintained to accumulate income and expenditure data by program. (See Part I of this manual.)

Program costs. Costs incurred and allocated by programs rather than by organizations. Program costs should be those direct costs that are essential to maintain the program. (See also direct costs.)

Program definitions. See Part I in this manual.

Program structure. The hierarchical arrangement of programs that represent the interrelationship of activities to goals and objectives. The program structure contains categories of activities with common outputs and objectives. Programs may cut across existing departments and agencies.

Property tax rate. See tax rate.

Proprietary account. An account reflecting the assets and liabilities of the district.

Prorating. The allocating of expenditures or income from a single source to two or more accounts to show the correct distribution of charges or income.

Protested taxes. Tax money paid under protest and held by the county auditor pending settlement of the protest.

Purchase order. A document which, issued to a vendor, authorizes the delivery of specified merchandise or the performance of certain services and the making of a charge for them.

Real property. Property consisting of land, buildings, minerals, timber, landscaping, and all improvements thereto.

Rebates. Abatements or refunds.

Receipts, nonrevenue. Amounts received that either incur an obligation that must be met at some future date or change the form of an asset from property to cash and therefore decrease the amount and value of district property. Money received from loans, sale of bonds, sale of property purchased from capital funds, and proceeds from insurance adjustments constitute most of the nonrevenue receipts.

Receipts, revenue. Additions to assets that do not incur an obligation that must be met at some future date and do not represent exchanges of property for money.

Reclassification. Redesignation of current year's income or expenditure items previously posted to one account and later determined to be more properly charged to a different account.

Refund. An amount paid back or credit allowed on account of an overcollection.

Registered warrant. A warrant that is registered by the county treasurer for future payment on account of present lack of funds and that is to be paid with interest in the order of its registration.

Registers. A listing of transactions of like kind that may be totaled and summarized for convenience in posting; e.g., payroll registers, warrant registers, and attendance registers.

Reimbursement. Cash or other assets received as a repayment of the cost of work or services performed; or repayment of other expenditures made for or on behalf of another governmental unit, fund, or department. (See also refund.)

Requisition. A document submitted initiating a purchase order to secure specified articles or services.

Reserve. An amount set aside to provide for estimated future expenditures or losses, for working capital, or for other specified purposes.

Reserve for encumbrances. A reserve representing the segregation of a portion of a fund balance to provide for unliquidated encumbrances. Separate accounts may be maintained for current and prior year encumbrances.

Resources. All assets owned including land, buildings, cash, estimated income not realized, and, in certain funds, bonds authorized but unissued.

Restricted funds. Monies the use of which is restricted by legal requirements.

Revenue. Addition to assets not accompanied by an obligation to perform service or deliver products.

Revolving cash fund. A stated amount of money used primarily for emergency or small or sundry disbursements and reimbursed periodically through properly documented expenditures, which are summarized and charged to proper accounting classifications.

Sales and use tax. Tax imposed upon the sale and consumption of goods and services. It can be imposed as a general tax on the retail price of all goods and services sold within the community college system jurisdiction with few or limited exemptions or as a tax upon the sale or consumption of selected goods and services. Separate accounts may be maintained for general sales taxes and for selective sales taxes.

Schedules. Explanatory or supplementary statements that accompany the balance sheet or other financial statements.

Secured roll. Assessed value of real property, such as land, buildings, secured personal property, or anything permanently attached to land as determined by each county assessor.

Securities. Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

Serial annuity bonds. Notes or other evidences of obligation in which the annual payment of principal and interest combined are approximately the same each year.

Serial bonds. Notes or other evidences of obligation redeemable by installment, each of which is to be paid out of income of the year in which it matures.

Shared revenue. Revenue levied by one governmental unit but shared, usually in proportion to the amount collected, with another unit of government or class of governments.

Short-term loans. A loan payable in five years or less but not before the end of the current fiscal year. (See also current loans.)

Site. The location of an adult school college, satellite center, or a central administrative unit.

Source document. Any voucher or other data that supports an entry in the accounting records.

Special audit. An examination of the accounting records having a specific purpose, or a general examination in addition to or in extension of the usual examination.

Specifications. Those particular qualities required of products or services.

Statements. Formal written presentations setting forth financial information. The term includes exhibits, schedules, and written reports.

State School Fund. Monies provided by statute to the Chancellor's Office, California Community Colleges, for distribution to community college districts on a predetermined formula.

Student body fund. A fund to control the receipts and disbursements of student association activities.

Subsidiary account. A related account that supports in detail the debit and credit summaries recorded in a controlling account.

Subsidiary ledger. A group of subsidiary accounts, the sum of the balances of which equal the balance of the related controlling account.

Subvention. Provision of assistance or financial support, usually from a superior governmental unit.

Summary. Consolidation of like items for accounting purposes.

Supply. A material item of an expendable nature that is consumed, wears out, or deteriorates in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

Surety bond. A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document through nonperformance or through defalcation; e.g., a surety bond given by a contractor or by an official who handles cash or securities.

Surplus. The excess of assets over liabilities.

Suspense account. An account to which postings are made temporarily pending determination of the proper account to be charged or credited.

Suspense clearing. An account that carries temporarily pending charges or credits to the proper account or accounts to which they are to be posted.

Tax anticipation notes. Instruments issued to secure monies borrowed in expectation of receipt of tax-funds.

Tax liens. Claims by governmental units upon properties for which taxes levied remain unpaid.

Tax rate. The amount of tax stated in terms of a unit of the tax base.

Tax rate limit. The maximum rates of tax that a governmental unit may levy.

Tax redemption. Proceeds from the sale of tax-delinquent property.

Tax relief subventions. Funds ordinarily paid to compensate for taxes lost because of tax relief measures.

Tax roll. The list showing the amount of taxes levied against each taxpayer or property.

Taxes. Compulsory charges levied within its boundaries by a governmental unit against the income or property of persons, natural or corporate, to support its activities.

Taxes receivable. An asset account representing the uncollected portion of taxes levied.

Term bonds. Bonds of the same issue maturing at a specified time or for a specified period.

Test check. The verification of selected items on the assumption that those selected are representative of the entire group from which they are selected. If no errors are found, the unchecked items in the group are assumed to be correct.

Trade discount. A reduction of the list price, usually expressed as a percent and related to volume of business transacted. (The term is not to be confused with cash discount.)

Trailer coach fees. Assessments collected from owners of trailer homes, which constitute personal property used in lieu of taxable real property.

Transfer. Interdistrict or interfund payments or receipts not chargeable to expenditures or credited to income. Certain budget revisions are often referred to as transfers.

Trial balance. A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or if their net balance agrees with a controlling account, the ledgers from which the figures are taken are said to be "in balance."

Trust fund. A fund consisting of resources received and held by the school district as trustee to be expended or invested in accordance with the conditions of the trust.

Tuition. An amount charged for educational services provided to a student.

Unappropriated fund balance. The portion of a fund balance not segregated for specific purposes. All assets and estimated income available for appropriation are credited to the account and General Reserve; budgeted appropriations and other obligations are debited. The net value of the account represents the unappropriated fund balance.

Unencumbered balance. That portion of an appropriation or allotment not yet expended or obligated.

Unit cost. The total expenditure for a product, program or service divided by the total quanitity obtained or some other quantitative measure; e.g., total expenditure divided by number of students equals cost per student.

Unrealized income. Estimated income less income received to date; also, the estimated income for the remainder of the fiscal year.

Unsecured roll. Assessed value of personal property other than secured property.

Voucher. Any document that supports or verifies a certain transaction.

Voucher warrant. A form embodying a warrant and voucher in one document.

Warrant. A written order drawn by the governing board or its authorized officer(s) or employee(s), approved by the county superintendent of schools, and allowed by the county auditor, directing the county treasurer to pay a specified amount to a designated payee.

Warrants payable. The face amount of warrants outstanding and unpaid.

Withholding. The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the estimated federal or state income tax of the individual that the employer must pay to the taxing authority.

Work in process. An asset representing the value of partially completed work.

Work order. A written authorization for the performance of a particular job containing a description of the nature and location of the job and specifications for the work to be performed. Such authorizations are usually assigned job numbers, and provision is made for accumulating and reporting labor, material, and other costs.

APPENDIX G

DATA PROCESSING TERMINOLOGY

Rev. 2/76

APPENDIX G

Data Processing Terminology

Alpha. The term used to indicate letters of the alphabet as opposed to numbers.

Alphanumeric. A term used to indicate a combination of letters, numbers, and special symbols such as punctuation or mathematical notation.

Automated data processing (ADP). The continuous integrated operation of data processing in which automatic machines are used; different from manual data processing.

Batch. A controlled group of data gathered together for processing or balancing.

Batch processing. A technique by which items to be processed must be coded and collected into groups before processing.

Binary number system. An internal numbering system incorporated by computers which uses a base of two, expressed as 0 or 1 (as opposed to the decimal system, which uses a base of ten).

Block diagram. A graphic presentation of a system, computer, or program in which selected portions are represented by boxes and interconnecting lines (See also flow chart.).

Bug. A mistake, malfunction, or omission in the design of a program or computer.

By-product information. Data, which, as a result of being tabulated in a particular fashion or as a result of being processed for other than the area of specific design, becomes available for existing records created for an entirely different purpose.

Card punch. A machine that encodes data into tabulating cards in the form of a pattern of round or rectangular holes; card punches may be activated by a computer or from a keyboard (See also key punch).

Cathode ray tube (CRT). A device similar to a television screen upon which data can be stored or displayed.

Central processing unit (CPU). That portion of a computer containing the arithmetic, logic, control, and in some cases, main storage units.

Character reader. A machine that optically scans alphabetic, numeric, or special characters previously entered on a document (usually by high-speed printer, typewriter, or imprinter).

Code. A system of rules or signals for using a set of characters to represent data or instructions.

Collating. Comparing and merging two or more similarly sequenced groups of items into one sequenced group.

Common Business-Oriented Language (COBOL). A computer programming language using basic English phrases designed for business applications.

Common language. A single code used by several devices (for example, typewriters, calculators, and transmitters) manufactured by different companies.

Compilation. Preparation of a machine language program by translation of each symbolic coded instruction into two or more machine language instructions.

Data. Basic elements of information - facts, numbers, letters, or symbols - with or without a computer.

Data collection. The act of bringing data from one or more points to a central point.

Data communication. The transmission of data from one point to another.

Data processing. A series of planned actions and operations upon data to achieve a desired result.

Data processor. A group of people and/or machines organized and acting together to process data.

Debugging. Finding and removing the mistakes from the design of a program or computer.

Electronic data processing (EDP). A term referring to equipment that processes data by electronic means; i.e., analog and digital computers.

Flow chart. A graphic representation of the major steps of work in process. (See also block diagram.)

Fortran (FORmula TRANslation). A programming system that converts mathematical statements into computer language.

Hard copy. Any printed copy of machine output; e.g., reports, listings, documents, or other copy in the form printed out by a computer.

Hardware. The physical equipment or devices which together comprise a computer and associated data processing machines; the mechanical or machine portion of a computer system.

Information. Facts and intelligence that result from data processing operations.

Information retrieval. The methods and procedures for recovering specific information from stored data.

Input. Transfer of external information into the central processing unit or into an intermediate data-processing storage device.

Inquiry station. A remote terminal device, such as a typewriter keyboard, from which interrogation of the contents of a computer's storage can be made.

Key punch. A card punch activated by a keyboard. (See also card punch.)

Language. A system for representing and communicating information between people and/or machines.

Lines per minute (LPM). The rate of printing speed of output printers.

Magnetic disc. A flat, circular plate with a surface that can be magnetized to store data.

Magnetic tape. A plastic or mylar strip coated with a metallic oxide upon which data can be recorded in magnetized spots.

Mark reader. A machine that optically scans marks entered (usually manually) in specific positions on a form and assigns values based on such positions.

Mark sense. Pencil strokes generally entered on bubbles on a punch card that can be read electrically by a machine.

Optical character recognition (OCR). A general term referring to the technique of using machines for optical reading of characters, symbols, or marks from a printed input document.

Optical scanner. A device that optically reads printed or written data, which is stored or entered into a computer.

Output. Information transferred from internal storage to output devices to produce cards, tapes, business forms, reports, and so forth.

Paper tape. A ribbon-like strip of paper, one inch or less in width, used as a means of recording data in the form of coded perforations.

Peripheral equipment. The auxiliary machines that may be placed under the control of the central computer; e.g., card readers, punches, and high-speed printers.

Printout. Display of computer-processed information as hard copy.

Program. A series of instructions that tell the computer in minute detail how to process data.

Programmer. A person who prepares problem-solving procedures and flow charts and who may also write and debut programs.

Random access. A storage technique in which the computer can find one bit of data as quickly as any other, regardless of its specific location in storage, without requiring a sequential storage.

Real-time processing. A method of processing data in which the machine begins to function at the moment of initial input so that there is virtually no passage of time between inquiry and result.

Software. Written programs and routines used to extend the capabilities of computers.

Source document. Any form from which data are taken for processing.

Storage. The retention of data for future retrieval.

Test routine. A program designed to show whether or not a computer is functioning properly.

Throughput. Productivity based on all facets of an operation; e.g., a computer that can read, write, and compute simultaneously would have a high throughput rating processing through the system.

Time-sharing. Using a computer to process multiple requests by independent users and providing responses rapidly so that each user feels that the computer is entirely at his disposal.

Unit record equipment. Computerized auxiliary equipment such as card readers, collators, and interpreters.

Updating. Revising so as to include current data.

UNIVERSITY OF CALIF.
LOS ANGELES

OCT 22 1976

CLEARINGHOUSE FOR
JUNIOR COLLEGES